



Thurston County Public Works Sewer and Water Utilities Financial Operating Policy and Procedures

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**Thurston County Public Works
Sewer and Water Utilities
Financial Operating Policy and Procedures**
Boston Harbor, Grand Mound, Tamoshan/Beverly Beach, and Olympic View

1. Policy

Thurston County Public Works will conduct financial operations in accordance with both County financial requirements and guidelines, and with Thurston County Code of Ordinances and Resolutions relating to sewer and water systems and rates, charges and fees.

The intent of the procedures below is to provide transparency and accountability of operations to the utilities' customers we serve, as well as to ensure consistency and fairness in the application of these procedures. The effective date is January 1, 2022.

2. New Accounts

a. Application Process.

Established Service Address:

New accounts for sewer or water service at an established service address may be set up by completing an application and paying a deposit. The application may be obtained by calling the Thurston County Public Works Utilities (TC Utilities) office at 360-867-2312 or accessed on the utilities website at <http://www.co.thurston.wa.us/publicworks>.

The application and applicable deposit must be provided by:

1. mail to *TC Utilities, 9605 Tilley Rd S, Box D, Olympia, WA 98512*,
2. person at the TC Utilities office, *9605 Tilley Rd. S, Building C, Olympia, WA*,
3. phone, accompanied by a credit card deposit, or
4. email, followed by a credit card deposit made online or taken over the phone.

The owner of a property that is provided with sewer and water service is legally responsible for all charges until TC Utilities receives written notice of a change in ownership. TC Utilities 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 should submit an application for service directly with TC Utilities. A property owner may set up an account for a new tenant by submitting, along with the applicable deposit, 1) a utility application signed by the tenant, and 2) appropriate documentation such as a rental agreement, lease agreement, or property management agreement signed by both parties. This documentation will be required as part of the account set up process, but it is not the responsibility of TC Utilities to enforce any terms of the agreement. Once the tenant account set up process is satisfactorily completed, TC Utilities may backdate the fixed service charges to the move-in date provided in the documentation, as long as the move-in date is within the current billing cycle. TC Utilities is unable to backdate service charges incurred in previous billing cycles.

New Service Address:

Customers requesting to establish connection at a new service address must submit a utility application at the Thurston County Permit Assistance Center, 2000 Lakeridge Drive SW, Olympia, WA; <http://www.co.thurston.wa.us/permitting>, and pay all applicable permit and connection fees prior to service establishment. Commercial and industrial account connection fees and charges provided in the Water and Sewer Utility Rates and Charges Resolution.

Temporary Water Service Accounts:

Customers requesting to establish temporary water service must complete an application with TC Utilities and pay all applicable fees and deposits prior to service installation. The deposit will be refunded within thirty (30) days of the final bill, less any meter damage and unpaid charges on the account. Monthly account charges include a monthly meter rental fee and applicable water usage. Delinquent accounts may be sent to collections.

b. Deposits¹.

Deposit Amount:

A deposit shall be collected from each property owner or tenant for each sewer and water account per rates established by ordinance.

Thurston County Utilities shall adhere to the established deposit rates for new account holders. A property owner who wishes to retain a larger tenant utilities deposit 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. A customer may request, by submitting an applicable form, an installment plan for payment of the deposit, providing for three equal payments due 1) at account set up, 2) on the first monthly utilities bill due date, and 3) on the second monthly utilities bill due date. 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 7.

Deposit Waivers for a Property Owners:

A deposit may be waived for a property owner who:

- provides a letter from an established utility that states “Customer is in good standing for at least 12 months”, and
- signs up for automatic utility payment services (ACH), and
- signs a deposit waiver form.

Deposit Waivers for Tenants:

A deposit may be waived for a tenant who:

- provides a letter from an established utility that states “Customer is in good standing for at least 12 months”, and
- signs up for automatic utility payment services (ACH), and
- signs a deposit waiver form, and
- provides a signed letter from the property owner agreeing to the deposit waiver.

¹ §15.12.610

If a utility customer discontinues ACH utility payments, or ACH payments are discontinued by TC Utilities due to notification of insufficient funds for two (2) or more ACH payments within a twelve (12) month period of time, the deposit waiver shall become void. A deposit, per the terms in effect at the time of discontinuance, shall be required to continue service. If a deposit is not received within seven (7) business days of notice of ACH payments being discontinued, service will be disconnected without further notice.

Deposits and automatic payment requirements may also be waived for current account holders in good standing who establish new service accounts with TC Utilities or transfer liability on a service account to a family member who is the property owner.

Deposit Refunds for Existing Property Owner Account Holders:

Deposits shall be refunded for an existing property owner account holder who:

- has enrolled in ACH payments, and
- has maintained 12 months of timely payments with TC Utilities.

Accounts will be reviewed on an annual basis for customers that meet the above criteria.

If the property owner discontinues ACH utility payments, or ACH payments are discontinued by TC Utilities due to notification of insufficient funds for two (2) or more ACH payments within a twelve (12) month period of time, a deposit will be required of the customer again. The deposit must be received by TC Utilities within seven (7) business days of the discontinuance of ACH payments, or service will be disconnected without further notice.

Deposit Refunds for Terminated Customers:

Deposits shall be refunded within thirty (30) days of mailing the final bill, less any amounts due for sewer and water rates, charges or fees. Balances less than \$5 will not be refunded unless requested. Deposits not refunded due to inability to locate account owner shall be deemed unclaimed property and treated in accordance with state law.

3. Account Terminations

Account holders are responsible for notifying TC Utilities, preferably 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 TC Utilities is notified of the vacancy, at which time, financial responsibility for services shall revert to the property owner. A property owner account holder shall continue to be responsible for services and charges until TC Utilities receives written notice of a property ownership change. An individual must be named on the account to authorize account changes.

A property owner may notify TC Utilities 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 move-out date, billing for fixed service charges and water usage, if applicable, 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 deposits applied.

4. Billing

a. Fixed Service Charges and Rates.

Once service is established for a property, monthly fixed service charges will apply regardless of occupancy or service status (i.e. active or shut off). Monthly sewer and water fixed service rates are assessed on a calendar month basis and billed in arrears. For example, February sewer and water fixed service rates are contained on billings invoiced at the end of February. Fixed service rates are also referred to as base service rates.

b. Service Proration².

Initial sewer and water accounts set up after the 5th day of the month shall be prorated for fixed service charges, based on the number of days in that calendar month. Sewer and water fixed service charges shall also be prorated at service termination, based on the number of days in that calendar month. The date of service activation and the date of service disconnection shall each count as a day of service for calculation of the prorated amount.

Final Billing:

If the account holder's final bill is less than \$5.00, TC Utilities will not bill the account unless:

- the customer has a past due balance,
- the customer has a credit balance, or
- the customer is signed up for automatic utility payment services (ACH).

c. Water Usage Charges and Rates.

Water usage charges are based on consumption, determined by monthly meter readings. Meter readings occur approximately the third week of each month, but vary from month to month. The monthly meter read dates are provided on customer billings in the left-hand section of the billing. Using the same billing example in Section 4a, the February month-end bill would contain water usage charges from (approximately) January 22nd to February 21st.

Current fixed service and usage rates can be found on the Thurston County Public Works Utilities website at <http://www.co.thurston.wa.us/publicworks> or by contacting TC Utilities.

d. Payment Due Dates³.

Bills are due and payable on the 20th of each month, or the following business day if the 20th falls on a weekend or a holiday. Bills are considered delinquent if not paid on or before the payment due date.

² §15.12.620

³ §15.12.620

e. Tenant Billings.

Because property owners are legally responsible for all utilities service charges, owners of rental properties will receive notice of tenant delinquencies.

5. Interest and Penalties⁴

a. Interest.

Interest shall be charged at eight percent (8%) per annum, assessed monthly on total sewer and water charges, fees and penalties, excluding interest, on all delinquent accounts

b. Penalties.

A ten percent (10%) penalty shall be charged on the total amount due on all accounts not paid on or before the billing due date. The penalty shall be assessed monthly until paid in full.

c. Grace Period.

The County may apply a five (5) calendar day grace period before assessing interest or delinquent penalties.

For customers with a payment history of twelve (12) months or more with TC Utilities 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), TC Utilities may, upon written request, waive one month of interest and penalty charges. TC Utilities shall not waive interest and penalties more than one time per calendar year. Waivers shall not be granted for customers with less than twelve months of payment history with TC Utilities.

Delinquent accounts for which a lien has been placed on the property shall continue to accrue interest and penalties. A delinquent account sent to collections shall stop being assessed interest and penalties by TC Utilities but is subject to fees and charges imposed by the collection agency.

Nothing in these procedures shall preclude TC Utilities from waiving interest and/or penalties, as determined by the Utilities or Finance Manager, for extenuating circumstances or accounts in dispute.

6. Payments

a. Payment Order.

Payments shall be applied to accounts in the following order, beginning with the oldest charges first:

- i. Taxes
- ii. Penalties and interest

⁴ §15.12.630 & §15.12.640

- iii. Sewer and water base rate and water usage charges, in proportion to their respective outstanding balances.

b. Non-Sufficient Funds (NSF) Checks.

NSF checks are subject to a fee. If an account holder presents repeat NSF checks, TC Utilities may require cash or credit card payments.

7. Water Shut-off/Service Disconnection^{5, 6}

a. Water Shut-off.

Utility accounts not paid within thirty (30) days of billing date shall receive a notice of interruption of service sent to the account holder. The notice shall clearly specify the date and time by which payment must be received to avoid water shut-off. A property owner shall also receive notice of delinquency for a tenant account. Payment of all past due charges including interest and penalties is required to avoid service disconnection. Payment must be made 1) in person, or 2) online. If you pay online, you must notify TC Utilities that payment has been made. Disconnection shall occur a minimum of eight (8) business days after the notice has been mailed.

A second notice of interruption of service shall be mailed no later than three (3) business days prior to disconnection of service or posted on the premises no later than two business days prior to disconnection of service. A final notice (shut-off door hanger) shall be posted on the premises when disconnection occurs. Disconnection of service shall occur a minimum of eight business days after the initial notice has been mailed.

Disconnect notices are dispatched after the close of business (5:00 pm) on the due date indicated on the interruption of service notice. Accounts dispatched for service disconnection shall be assessed a one hundred-dollar (\$100) fee. The cost of each notice dispatched for posting on premises is thirty-five dollars (\$35). These fees are considered due and payable when assessed and are subject to change.

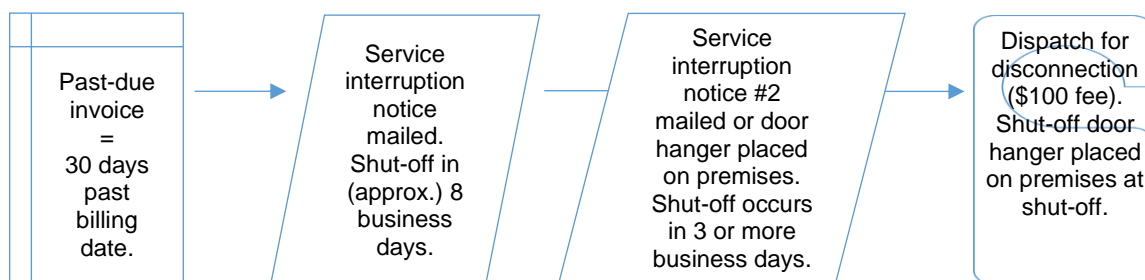
Once service disconnection occurs, all charges (delinquent, current, and assessed fees) must be paid prior to reconnection, or after the establishment of a county-approved payment plan. Upon disconnection, payment may be made only at the TC Utilities office or by phone with a credit/debit card; Thurston County employees are not authorized to accept payment at the service address. If payment is received for reconnection prior to 3:00 pm, service will be restored by 5:00 pm the same business day.

After hours service charges (currently \$100) shall apply for reconnections after 3:00 pm; no service calls for reconnection due to delinquency shut-off shall be dispatched after 5:00 pm or on weekends.

⁵ §15.10.420

⁶ §15.12.130

Service Interruption Flow Chart:



Automatic Payment Services (ACH) Account Holders⁷

Any account enrolled in automatic payment services that defaults on a payment shall be given notice of service disconnection, per the process described above.

b. Temporary Water Service Disconnection.

You may have your water meter disconnected by TC Utilities during times of lengthy absence by contacting us by phone to set up. Your account will continue to be charged base service rates during this period. To reinstate your service, call one business day prior to your return.

8. Payment Plans⁸/Payment Arrangements/Bankruptcies

a. Payment Plans.

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

- The request must be in writing, and the terms of the approved payment plan must be acknowledged in writing.
- A minimum down payment of \$200 is required at the origination of the payment plan. TC Utilities reserves the right to require a larger down payment depending on the account balance owed.
- Interest, penalties and fees incurred to the date of payment plan establishment shall not be waived.
- All current charges must be received by the due date indicated on your 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.
- As long as 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 six (6) months.
- The minimum monthly payment plan installment shall be fifty dollars (\$50).
- TC Utilities shall not consider a request from an account holder for establishment of a payment plan more than once in a twelve (12) month time period.

⁷ §15.10.420

⁸ §15.10.420 & §15.12.630

Payment plans are available only to active account holders; if an account holder moves or terminates service with TC Utilities, all outstanding balances are immediately due and payable.

- Special COVID arrangements regarding payments plans may apply.

Payment plans shall be approved or denied by the Utilities or Finance Manager within three (3) business days of the request. 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 service shut-off and applicable fees. A property owner shall also be subject to the lien process.

b. Payment Arrangements.

TC Utilities may consider an account holder's written request to extend a payment due date to avoid shut-off on a case-by-case basis. Factors used to determine whether or not 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 a TC Utilities customer. In no circumstance shall the payment due date be extended more than ten (10) calendar days. If payment is not received by the extended payment due date, the account shall immediately be shut off with no further notice and is subject to all applicable service fees.

Pledges:

Account holders may obtain pledges from third-party organizations*. If TC Utilities receives written documentation of a third-party pledge in an amount that when paid will take the customer out of the shut-off process, a second notice (door hanger) will not be posted on the premises, but a second notice will be mailed. Interest will still apply to the account on any balance unpaid by established due dates.

Should the third-party pledge fall through, and the shut-off process be reinstated, a notice of service interruption will be mailed or placed on premises prior to shut-off to comply with ordinance notification requirements.

*The pledge must be from a recognized support organization, not a family member or friend.

c. 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.

9. Collections

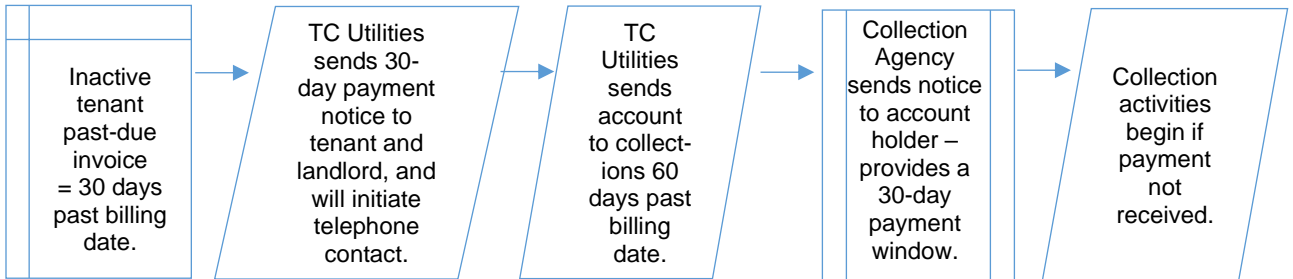
Inactive tenant accounts not paid within thirty (30) days of the final billing date shall be sent one final notice of payment due. TC Utilities will also attempt to make telephone contact to discuss account payment. Accounts not paid (i.e. payment received in the TC Utilities office) within thirty (30) calendar days of the notice mailing may be sent to collections. If a final bill is returned undeliverable to TC Utilities, the account may immediately be sent to

collections. If sent to collections, the account holder shall receive a letter from the collection agency 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. TC Utilities shall no longer have direct responsibility for these accounts.

TC Utilities may send property owners to collections for delinquent charges. The property owner will be mailed a final notice of payment due. TC Utilities will also attempt to make telephone contact to discuss payment and provide thirty (30) calendar days for full payment of the account (i.e. payment received in the TC Utilities office) prior to being sent to collections. A property owner may be sent to collections and subject to the lien process described in Section 10.

TC Utilities 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 which is still payable by the debtor. TC Utilities will review delinquent accounts annually and follow County guidelines for writing off accounts deemed to be bad debt.

Tenant Collections Process Flow Chart:



Special Note for Property Owners with Tenant Delinquencies:

The property owner is liable for all sewer and water charges for any property for which service has been provided. However, where a terminated tenant has defaulted on payment of their sewer and water charges, TC Utilities may send the inactive tenant to collections in accordance with the policy stated above.

As a courtesy, TC Utilities shall mail the property owner a notice thirty (30) calendar days before the terminated tenant account is sent to collections, providing the option to pay outstanding charges in full or have the tenant account sent to collections for a period of six (6) months. At the completion of six (6) months, the property owner is responsible for any unpaid balance, in addition to collection fees incurred. If the balance is not settled, a lien may be placed on the property owner in accordance with Section 10.

10. Liens⁹

TC Utilities shall place a lien against the premises for utility charges that become ninety (90) days or more delinquent, plus interest and penalties. A lien may be placed on the property owner for charges incurred by a tenant. As a courtesy, TC Utilities shall send notice to the account holder of intent to file a lien a minimum of thirty (30) days prior to the lien being

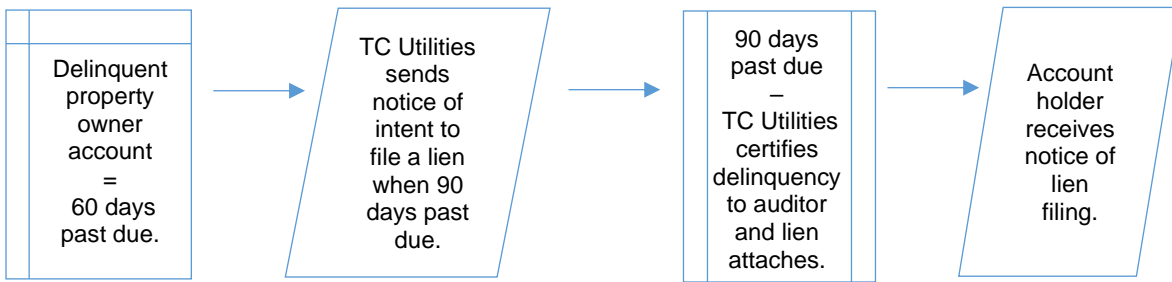
⁹ §15.12.640

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, TC Utilities shall certify the delinquency to the County auditor and the lien shall attach to the property. Upon placement, the account holder shall receive notice that the lien has been filed.

Upon the expiration of sixty (60) days after the attachment of the lien, the county may bring suit in foreclosure by civil action in Thurston County Superior Court in accordance with RCW 36.94.150.

The account holder is responsible for fees assessed for attachment, recertification, and release of a lien. Current recording fees for the attachment, recertification, and release of a lien can be found at <https://www.thurstoncountywa.gov/auditor/Pages/recording-document.aspx>. When payment is received in full and a lien is subsequently released, TC Utilities shall send a courtesy notice of release of lien to the property owner.

Lien Process Flow Chart:



11. Account Adjustments

a. Out of Order Meter Adjustments.

TC Utilities shall provide a usage credit for an out of order meter that fails to register accurately, which has not been caused by tampering or willful damage. The usage credit shall be based on the average monthly consumption for the last year. If sufficient historical data does not exist, then the credit shall be calculated based on historical usage from a similar class of property.

b. Water Leaks.

Leaks on the property side of the water meter are the responsibility of the property owner or account holder to repair. However, TC Utilities may provide a usage adjustment for undetected leaks on the following basis:

- Account holder must request the usage adjustment in writing.
- The request must be received within 60 days of the requested adjustment time period. For example, if requesting a leak adjustment for the months of July and August, the request must be received no later than October.
- Account holder must provide proof the leak has been fixed, such as an invoice from a plumber and a picture of the affected area that has been fixed.
- No more than one leak usage credit shall be extended to an account holder every five (5) years.

- The maximum amount of credit that shall be provided is one-thousand dollars (\$1,000) for a residential account and five-thousand dollars (\$5,000) for a commercial account.
- The maximum time period considered for an adjustment shall be three (3) consecutive months.
- Interest and penalties will continue to apply to any unpaid account balance.
- The usage credit shall be based on use for the same monthly period(s) the prior year. If sufficient historical data does not exist, then the credit shall be calculated on the average monthly usage available for that account.

12. Commercial Account Review¹⁰.

Commercial accounts with at least twelve months of usage shall be evaluated on an annual basis after connection to review usage. This review shall occur in December of each year. Monthly base rates for water and sewer service for the next year shall be determined by the average number of equivalent residential units (ERUs) of the six highest usage months of the prior calendar year utilized by that commercial account. Irrigation accounts will be determined by the average of the twelve months of usage of the prior calendar year. All calculations will be rounded up to the nearest whole ERU. This review shall be extended to all commercial accounts, and applied on a reasonable basis, using the ERU basis specified per ordinance:

- Grand Mound = 700 cubic feet of water consumed or sewerage discharged per ERU
- All other utilities = 900 cubic feet of water consumed or sewerage discharged per ERU

¹⁰ §15.12.110