



MARIN MUNICIPAL WATER DISTRICT

BOARD POLICY

No.: 27

DATE: 1-9-91
Revised 6-22-94
Revised 11-21-94
Revised 5-21-97
Revised 7-7-04

SUBJECT: CONNECTION FEE INSTALLMENT PLAN

The Board of Directors is aware that some applicants for water service may have difficulty paying the full connection fee for their project in one lump-sum payment. To accommodate those applicants, the connection fee installment plan allows applicants to pay the connection fee for a new service, or increase the water entitlement of an existing service, on a payment schedule. Requests for payment under the Installment Plan may be approved by the General Manager, with concurrence of the Environmental & Engineering Division Manager, provided the following general and specific conditions are met:

A. GENERAL:

1. Installation charges are not included under the Installment Plan and must be paid at the time of application for service.
2. Provided District approval is granted, the connection fee for each service shall be paid in bimonthly installments, with the first payment due at the time the water service application, or water entitlement increase, is approved.
3. Interest will be charged on the unpaid balance at a rate that is 1% above that which the District receives on its Local Agency Investment Fund.
4. If it is found at any time that the District must refund connection fees or interest collected, interest paid by the District will be at a rate that is 1% below that which the District receives on its Local Agency Investment Fund.

B. NEW SERVICE:

1. The lending institution for the project must provide the District with a letter stating that payment of the connection fee in one lump sum will constitute a financial hardship for the applicant.
2. The applicant will pay all costs associated with placing a lien on the property pending payment of all installments and subsequent removal of the lien.
3. All fees due to the District for said water service must be paid prior to activation of the water service.

4. The District shall cancel water service application approval if any payment is late by more than 10 working days. If any such cancellation occurs, District will deduct a 15% administrative fee, not to exceed \$2,500, from the total fee remaining due prior to refunding.
5. The property owner must make a written request for a time payment plan.
6. The minimum connection fee to be considered under the plan is \$2,000 per service.

C. EXISTING SERVICE - WATER ENTITLEMENT INCREASE:

1. Five years will be the maximum number of years allowed for payment of connection fees under the installment plan. Five years will only be allowed for those applicants requesting a payment plan prior to consumption exceeding the entitlement. Should a customer have received notifications of "over-entitlement", the number of years allowed on the payment plan will decrease by the number of years notifications have been sent regarding the over-entitlement situation, with a minimum of three years available to the applicant. An applicant may elect to make payments over a shorter period if desired.
2. If any payment is late by more than 10 working days, the District shall decrease the water entitlement to the property to a level equivalent to the entitlement for which payment has been received. In addition, the District will assess a non-payment administrative fee, resulting in the further reduction in the water entitlement to the property. The administrative fee shall be assessed on that portion of entitlement for which payment remains outstanding and shall amount to 15% of the outstanding balance, not to exceed \$2,500 in equivalent water entitlement value. The administrative fee, expressed in acre-feet (representing water entitlement value), shall be deducted from the purchased entitlement.
3. A property owner and/or tenant can enter into a payment plan agreement.
4. The full water entitlement will be assigned to the service upon execution of the payment plan agreement.
5. If it is determined, during the term of the agreement, that the water entitlement purchase is higher than necessary, the water entitlement purchase agreement can be modified to an amount equal to that which is needed.
6. The applicant must agree to disclose the water entitlement restrictions and payment plan status to all prospective purchasers and tenants of the parcel involved.

D. SECOND LIVING UNITS (NEW OR LEGALIZED EXISTING UNITS):

1. The applicant must request the payment plan in writing and include a statement that payment of the connection fee in one lump sum will constitute a financial hardship.
2. The applicant will pay all costs associated with placing a lien on the property, pending payment of all installments, and subsequent removal of the lien.
3. The new water allowance in the tiered rate, based on the new residential code for the service, will be assigned to the service upon execution of the payment plan agreement.
4. The minimum connection fee to be considered under the plan is \$2,000 per service.
5. Should the property owner elect to sell the property prior to payment in full of the connection fee, the monies due the District shall be paid in full prior to the sale or shall be paid out of escrow at the time of closing the sale.
6. If any payment is late by more than 10 working days, the District shall reduce the water allotment for the service by one residential unit, e.g., a single family dwelling with a second living unit will be reduced from 2 units to 1 unit, an individually metered second unit will have it's allotment reduced to 0, resulting in all water billed at Tier 4 rates, until such time as payment is made to bring the account current.