

MAR 12 2014

**TIMBERON WATER & SANITATION DISTRICT**

**FIRST REVISED RULE NO. 19**  
*Cancelling Original Rule No 19*  
**SETTLEMENT AGREEMENTS**

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A. Settlement Agreements to be in writing. When the District and a District customer settle a dispute or when a District customer does not dispute liability for an outstanding bill or bills but demonstrates an inability to pay the outstanding bill or bills then due, the District and District customer shall enter into a settlement agreement to pay the amount of the bill. The terms of a settlement agreement reached by telephone which extends beyond 45 days shall be confirmed by the District in writing and mailed or delivered to the District customer. The District is not required to enter into a settlement agreement with a chronically delinquent District customer. However, if a chronically delinquent District customer can demonstrate to the District that the District customer does not have adequate financial resources to pay the outstanding bill without participation in the settlement agreement and because the District customer has a low income and is elderly, disabled or subject to other special considerations, the District shall give special consideration to such a District customer in determining whether to extend a settlement agreement to that District customer. X

B. Installment Payments.

1. Every settlement agreement involving an inability to pay an outstanding bill in full when due shall provide that service will not be discontinued if the District customer pays a reasonable portion of the outstanding bill upon signing the settlement agreement and agrees to pay the remaining outstanding balance in reasonable installments until the bill is paid. For purposes of determining reasonableness, the parties shall consider (a) the size of the outstanding balance; (b) the District customer's ability to pay; (c) the District customer's payment history; (d) the time that the balance has been outstanding; (e) the reasons why the balance has been outstanding; and (f) any other relevant factors to the District customer's service. A settlement agreement to pay an outstanding past due balance on a bill does not relieve a District customer from the obligation to pay future bills on a current basis. X

2. If the District customer has entered into an installment plan pursuant to a settlement agreement, the District customer shall receive a statement of (1) the actual service charges incurred for the current billing period; (2) the amount of the installment payment due; (3) the total amount due [sum of (1) and (2)]; and (4) an acknowledgment of previous installment payments. X

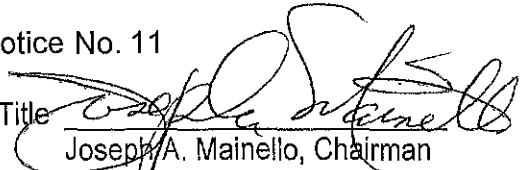
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APR 12 2014

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Operation of Law

Advice Notice No. 11

Signature/Title



Joseph A. Mainello, Chairman

BY \_\_\_\_\_

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C. Failure to Comply with Settlement Agreements.

1. If a District customer fails to comply with a settlement agreement, the District may discontinue service after notifying the District customer by personal delivery of written notice, or by first class mail, that the District customer is in default of the settlement agreements; stating the nature of the default; and stating that unless a payment which brings the settlement agreement current is made within seven days from the date of notice, the District will discontinue service on a certain date. X  
X  
X
2. Nothing in this section shall preclude the District and a District customer from renegotiating the terms of a settlement agreement. X

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Joseph A. Mainello, Chairman