

Randolph Fire District #1

Overdue Account Policy and Procedures

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RFD1 Prudential Committee

John Lens, Chairman

Dana Dean

John Doss

Randolph Fire District #1

Overdue Account Policy & Procedures:

This policy (1) establishes procedures for collecting payment on overdue accounts and (2) specifies who is responsible for implementing this policy and when it should be used.

Responsibility:

The Randolph Fire District #1 (RFD1) Collector of Rents and Taxes has the primary responsibility for sending out quarterly invoices, assessing late payment charges and for monitoring customer payments. The Collector of Rents & Taxes works closely with the RFD1 Treasurer in determining which accounts require action by the Collector to ensure timely payment thereof.

Quarterly Invoicing Terms:

Accounts not paid within 30 days of the invoice date are subject to a 1% monthly finance charge. Accounts delinquent by more than 90 days are subject to a 1.5% monthly finance charge. As authorized by Vermont Statutes, 32 V.S.A. § 1674(2), property taxes not paid by the due date are assessed a one-time 8% penalty in addition to the above finance charges.

Collection Procedures:

1. RFD1 observes a five-day grace period beyond the invoice 30-day due date. If an invoice payment is overdue by greater than 5 days, the RFD1 Collector of Rents and Taxes will send the delinquent customer a Past Due Reminder letter (see page 3 of this document). The Collector of Rents and Taxes will include a statement with the Past Due Reminder letter. This letter and statement will be sent via email or regular postal service, depending upon how the customer has chosen to receive invoices. If the Collector of Rents and Taxes is unable to send the Past Due Reminder letter on or about the fifth day of delinquency, it will be accomplished as soon as possible thereafter. Subsequent collection actions will be determined by timing of this and future delinquency notices.
2. If the customer account remains delinquent 30 days past the invoice due date, the Collector of Rents and Taxes will send the customer, by regular mail, a Notice of Termination using the Uniform Notice Form format mandated by Vermont State Statutes (see pages 4-5 of this document). This notice will identify a specific date for water service disconnection. Unless satisfactory payment is received by the RFD1 Treasurer, disconnection may occur on that date or on the four business days after that date. Business days are defined as Monday-Thursday and disconnection must occur between the hours of 8:00 am and 2:00 pm. “Satisfactory payment” is defined as complete payment of past due invoiced balances including finance charges and/or penalties associated with the delinquency. An alternative resolution is for the customer to enter into a regular structured payment plan that is mutually agreed upon by the customer and the RFD1 Treasurer (see example agreement on page 6 of this document).
3. The Notice of Termination will be mailed via regular mail to all customers and will be printed on pink paper. In accordance with Vermont State Statutes, it will be sent within 40 days after delinquency and postmarked and sent not more than 20 days, nor less than 14 days prior to the disconnect of service.
4. If the customer fails to respond to the Notice of Termination by paying the overdue balance on the account, water service may be disconnected. Between 14-20 days after the Notice of Termination is sent, the

Collector of Rents and Taxes will coordinate service disconnection with the RFD1 Engineer or his/her representative. The RFD1 Prudential Committee will be informed of a scheduled disconnection but approval is not required.

5. Once disconnection action is complete, the individual making the disconnection shall immediately inform a responsible adult on the premises that service has been disconnected or interrupted, or if no responsible adult is then present, shall leave on the premises in a conspicuous and secure place a notification advising that service has been disconnected or interrupted and what the ratepayer has to do to have service restored (see page 7).
6. Once the customer has made payment of the past due balance or, alternatively, has entered into a mutually agreed upon structured payment plan with the District, the RFD1 Engineer, RFD1 Water System Operator, or a designated representative will reestablish water service at the customer address within 24 hours.
7. In all cases, RFD1 will adhere to the service disconnection procedures in Vermont State Statutes, Title 24, Chapter 129, Uniform Water and Sewer Disconnect, found on pages 8-13 of this document.

PAST DUE REMINDER

Date

Customer Name
Address
City, State, Zip

Dear Customer:

Our records indicate that your account has an overdue balance of _____ (see attached statement).

Please understand that we are a small water system and rely on all customers to pay their bills on a timely basis in order to provide continuity of drinking water and fire protection.

If you have already sent payment, please disregard this notice. Otherwise, please send payment within 14 days from the date of this notice. Failure to do so may result in termination of water services.

If you have any questions, feel free to contact the RFD1 Collector of Rents and Taxes or the RFD1 Treasurer at RFD1org@gmail.com.

Sincerely,

Name
RFD1 Collector of Rents & Taxes

NOTICE OF TERMINATION

Date: _____

Account Balance in Arrears: \$ _____

Total Account Balance: \$ _____

CUSTOMER

Street or PO Box

Randolph Ctr., VT and 05061

Dear (Customer Name),

According to our records, your water services account and collection fees are still unpaid at your property located at ADDRESS in Randolph Center, VT.

Please make full payment of the overdue balance or contact RFD1 to establish satisfactory arrangements before If this is not done, we will no longer be able to extend credit and will have to discontinue your service, on that day or any one of the following four business days. (Under the law, "business days" means Monday through Thursday, excluding legal Holidays, when the offices are not open to the public). An unpaid bill is a lien on your real estate property, and may lead to tax sale proceedings.

SPECIAL CHARGES--Section 5151 of Title 24, Vermont Statutes Annotated, provides that we charge a fee for coming to your location to collect the amount overdue. Also, the same statute provides that we shall charge a turn-on fee for restoration of service if your service has been disconnected for nonpayment. These fees are as follows:

Collection trips: \$25.00 each trip, regardless of number

Turn-on Fee: Normal Hours, \$25.00; Overtime, \$37.50

Charge for Certified Mailing: \$6.60

If payment has already been sent, we recommend that you contact the Fire District Treasurer to make certain that payment is recorded on your account by the indicated date; as such payment may have. The contact information for the current treasurer may be found at this link: http://www.rfd1.org/?page_id=368.

THIS IS A FINAL REQUEST FROM:

Name

Collector of Rents and Taxes

Randolph Fire District #1

OTHER IMPORTANT INFORMATION — If you have a question concerning this bill or if you want to seek an agreement with us to pay the balance due in partial payments over a period of time, you should contact this office as soon as possible after receipt of this notice. In the event an agreement is entered into, failure to abide by the terms of agreement can lead to disconnection without further notice. If disconnection would result in an immediate and serious health hazard to you or to a resident within your household, disconnection will be postponed upon presentation of a duly licensed physician's certificate.

APPEALS — If you cannot reach agreement as to payment of this bill with the credit supervisor whose name appears above, you may appeal to:

Go to this link for name and phone number of current chairperson: http://www.rfd1.org/?page_id=368

Current Chairperson,
Randolph Fire District #1
PO Box 314
Randolph Center, VT 05061
or by calling:
(Telephone Number)

An appeal cannot be taken unless you first attempt to settle with the Collector of Rents & Taxes or Treasurer. You may appeal only as to the proper amount of your bill or the correctness of application of the rules and regulations. You may not appeal as to the level or design of the rates themselves. No charge shall be made for the appeal. However, undisputed portions of the charges giving rise to this notice must be paid before the disconnection date given above. ¹¹_{SEP}(Added 1977, No. 93; amended 1987, No. 33, § 1; 1989, No. 45, § 10.)

Example

Structured Payment Plan For _____ Customer name

Beginning on _____, I agree to pay Randolph Fire District #1 (RFD1) \$ _____ on or before the _____th of each month for water and fire protection service.

Payment will be made by cash, check, money order, or bank check.

Payment will be mailed to RFD1 or hand-delivered to the RFD1 Treasurer.

No monthly reminders will be sent.

Monthly payment amount may be modified based upon actual level of water consumption.

Water service may be terminated with no further warning if monthly payment is missed.

I agree to the terms of this structured payment plan with RFD1 for continued water and fire protection services. I understand that water service may be disconnected if regular payment in accordance with this agreement is not received by RFD1.

Customer Signature

Date

RFD1 Representative Signature

Date

Randolph Fire District #1

Notice of Disconnection

Water service at this location has been disconnected.

Reasons for this disconnection may include necessary maintenance actions, water service account delinquency, or another cause.

Further information can be obtained by contacting Randolph Fire District #1 at:

(Insert phone number to contact)

Or

rfd1org@gmail.com

If disconnection is the result of an account delinquency, RFD#1 will outline the conditions necessary to restore water service.

**Randolph Fire District #1
P.O. Box 314
Randolph Center, VT 05061
rfd1@gmail.com
www.rfd1.org**

Vermont State Statutes Regarding Water and Sewer Disconnect

Title 24: Municipal And County Government

Chapter 129: Uniform Water And Sewer Disconnect

- **§ 5141. Scope**

This chapter applies only to municipalities providing water or sewer services, or both, and it allows disconnection of water or sewer services, or both, as a delinquency collection procedure for water or sewer delinquencies. Disconnection of water service as a collection procedure for delinquent sewer bills is specifically allowed. This delinquency collection procedure is a separate procedure from that allowed under Title 32. (Added 1977, No. 93; amended 1989, No. 45, § 7.)

- **§ 5142. Definitions**

For the purpose of this chapter:

(1) “Selectboard” means the selectboard in the case of a town, the city council in the case of a city, the board of trustees in the case of an incorporated village, the prudential committee in the case of a fire district, or the board of commissioners in the case of a consolidated sewer or water district.

(2) “Disconnection” means the deliberate interruption or disconnection of water or sewer service, or both, to a ratepayer by the servicing municipality for nonpayment of water or sewer charges.

(3) “Delinquency” means failure of the ratepayer to tender payment for a valid bill or charge within 30 days of the postmark date of that bill or charge, or by a “due date” at least 30 days after mailing, which shall be clearly printed on the bill and which shall control in the absence of the postmark. A delinquency of sewer charges shall be considered a delinquency of water charges, if operated by the same municipal corporation.

(4) “Hearing officer” means a person appointed pursuant to section 5147 of this chapter to act as a fact finder and to hear and investigate evidence, and to make recommendations to the selectboard for final determination of the dispute.

(5) “Notice” means the written notice on the form prescribed in section 5144 of this chapter, sent within 40 days after delinquency and postmarked and sent not more than 20 days, nor less than 14 days prior to the disconnect of service.

(6) “Physician’s certificate” means a written statement by a duly licensed medical practitioner certifying that a ratepayer or resident within the ratepayer’s household would suffer an immediate and serious health hazard by the disconnection of the utility’s service to that household. The certificate will be considered valid and in force for 30 days, or the duration of the hazard, whichever is less.

(7) “Payment of a bill” means the receipt at the municipal office of cash, check, or money order which is subsequently honored.

(8) “Business days” means Monday through Thursday, excluding legal holidays and any other time, or the day before such time, when municipal offices are not open to the public.

(9) [Repealed.]

(10) “Credit supervisor” is any person appointed by the selectboard to perform the functions of a credit supervisor under this chapter. Notwithstanding section 1524 of this title, the municipal tax collector may be appointed, but the fees provided under Title 32 for a tax collector do not apply to the collection procedure in this chapter. (Added 1977, No. 93; amended 1989, No. 45, § 8.)

• **§ 5143. Disconnection of service**

(a) No municipality shall disconnect service to a ratepayer unless payment of a valid bill or charge is delinquent as defined herein, and notice of disconnection has been provided previously to the ratepayer. A copy of the notice shall be sent to the occupant of a residential dwelling that will be affected by the disconnection if the occupant is different than the ratepayer.

(b) Disconnection shall not be permitted if:

(1) The delinquent bill or charge, or aggregate delinquent bills and charges do not exceed \$15.00.

(2) The delinquency is due solely to a disputed portion of a charge that is the subject of an appeal.

(3) The delinquency is due to a failure to pay a deposit, line extension, special assessment, special construction charge, or other nonrecurring charge.

(4) The disconnection would represent an immediate and serious hazard to the health of the ratepayer or a resident within the ratepayer’s household, as set forth in a physician’s certificate that is on file with the municipality. Notice by telephone or otherwise that such certificate will be forthcoming will have the effect of receipt, providing the certificate is in fact received within seven days.

(5) The ratepayer has not been given an opportunity to enter into a reasonable agreement to pay the delinquent bill or, having made such agreement, has abided by its terms.

(c) The tenant of a rental dwelling noticed for disconnection due to the delinquency of the ratepayer shall have the right to request and pay for continued service from the utility or reconnection of water and sewer service for the rental dwelling, which the utility shall provide. If any water and sewer charges or fees are included in the tenant’s rent, the tenant may deduct the cost of any water and sewer service charges or fees paid to the municipality from his or her rent pursuant to 9 V.S.A. § 4459. Under such circumstances, the utility shall not require the tenant to pay any arrearage greater than one billing cycle. (Added 1977, No. 93; amended 1989, No. 45, § 9; 2013, No. 94 (Adj. Sess.), § 1, eff. Feb. 20, 2014.)

- **§ 5144. Uniform notice form**

The notice form required under section 5143 of this chapter, and defined in section 5142 of this chapter shall be clearly printed on a pink colored sheet of paper, and shall be according to the following form:

Date _____

\$ _____

AMOUNT IN ARREARS

Dear Customer:

According to our records, your (water) (sewer) service account is still unpaid. Please make full payment of the account or contact our office to make satisfactory arrangements before If this is not done, we will no longer be able to extend credit and will have to discontinue your service, on that day or any one of the following four business days. (Under the law, “Business days” means Monday through Thursday, excluding legal holidays, when the offices are not open to the public). An unpaid bill is a lien on your real property, and may lead to tax sale proceedings.

SPECIAL CHARGES—24 V.S.A. § 5151 provides that we charge a fee for coming to your location to collect the amount overdue. Also, the same statute provides that we shall charge a reconnection fee for restoration of service if your service has been disconnected for nonpayment. These fees are as follows:

Collection Trips—\$ 25.00, regardless of number

Reconnection—Normal Hours—\$ 25.00

Overtime—\$ 37.50

Interest according to 32 V.S.A. § 5136(a)

If payment has already been sent, we recommend that you contact our office to make certain that payment is recorded on your account by the indicated date as such payment may have become delayed or lost in the mail. Payment in the mail does not constitute payment until received by us.

THIS IS A FINAL REQUEST FROM:

(Name of Credit Supervisor)

(Name of Municipality)

(Address of Municipality)

(Town)

Vermont (Zip Code)

(Telephone Number)

OTHER IMPORTANT INFORMATION—If you have a question concerning this bill or if you want to seek an agreement with us to pay the balance due in partial payments over a period of time, you should contact this office as soon as possible after receipt of this notice. In the event an agreement is entered into, failure to abide by the terms of agreement can lead to disconnection without further notice. If disconnection would result in an immediate and serious health hazard to you or to a resident within your household, disconnection will be postponed upon presentation of a duly licensed physician’s certificate.

APPEALS—If you cannot reach agreement as to payment of this bill with the credit supervisor whose name appears above, you may appeal to:

(Name of Chairman of the Local Legislative Body)

(Name of Town, City or Village)

(Address of Office)

(Mailing Address)

or by calling:

(Telephone Number)

An appeal cannot be taken unless you first attempt to settle with the credit supervisor. You may appeal only as to the proper amount of your bill or the correctness of application of the rules and regulations. You may not appeal as to the level or design of the rates themselves. No charge shall be made for the appeal. However, undisputed portions of the charges giving rise to this notice must be paid before the disconnection date given above.

(Added 1977, No. 93; amended 1987, No. 33, § 1; 1989, No. 45, § 10.)

• **§ 5145. Time and notice of disconnection**

(a) Disconnection of utility service shall occur only between the hours of 8:00 a.m. and 2:00 p.m. of the business day specified on the notice of disconnection, or within the same hours during the four business days thereafter.

(b) When service is disconnected or interrupted at the premises of the ratepayer, which shall include disconnection or interruption at or near the premises of the ratepayer, the individual making the disconnection shall immediately inform a responsible adult on the premises that service has been disconnected or interrupted, or if no responsible adult is then present, shall leave on the premises in a conspicuous and secure place a notification advising that service has been disconnected or interrupted and what the ratepayer has to do to have service restored. (Added 1977, No. 93.)

• **§ 5146. Restoration of service**

If service has been disconnected or interrupted, the municipality shall within 24 hours restore service upon the customer’s request when the cause for disconnection of service has been removed or when an agreement has been reached between the ratepayer and the municipality regarding the dispute that led to the disconnection or when directed to do so by the selectboard. Restoration of service, to the extent

feasible, shall be done so as to avoid charging ratepayers for overtime wages and other abnormal expenses. No collection or reconnection fees may be charged for disconnections or interruptions of service made for reasons of health or safety of the ratepayer or of the general public. (Added 1977, No. 93; amended 1989, No. 45, § 11.)

- **§ 5147. Jurisdiction for appeals and exceptions**

The selectboard shall promptly and fairly hear any or all appeals by the ratepayer after notice to all interested parties. During appeal, disconnection will be postponed. Upon just cause shown, the selectboard may grant exceptions to any ratepayer. The selectboard may appoint one or more members of the selectboard to act as hearing officers for the purposes of the appeal. Alternatively, the selectboard may appoint a responsible citizen to act as a hearing officer for the appeal. (Added 1977, No. 93.)

- **§ 5148. Consumer provisions**

Nothing in this chapter shall prevent the selectboard from adopting further procedures, ordinances, or rules providing greater protection for consumers than are required by this chapter. (Added 1977, No. 93.)

- **§ 5149. Repealed. 1989, No. 45, § 12.**

- **§ 5150. Unauthorized connection**

The officers and agents of such a municipality entrusted with the care and superintendence of the municipality may at all reasonable times enter all premises so supplied to examine the pipes and fixtures and prevent any unnecessary waste, and to examine for sanitary correction thereto. If any person, without the consent of such municipal corporation, shall use any connection to water or sewer, a civil action on this statute may be maintained against such person by such municipality for the recovery of damages thereon. (Added 1977, No. 93; amended 1989, No. 45, § 13.)

- **§ 5151. Special charges**

(a) A municipality providing water and sewer services may charge fees for collection of overdue accounts and reconnection of service disconnected because of nonpayment.

(b) Fees charged shall not exceed the following schedule:

Collection Trips—\$25.00 maximum, regardless of number

Reconnection:

Normal Hours—\$25.00

Overtime—\$37.50

(c) Interest on delinquent accounts may be assessed if voted by the municipality according to 32 V.S.A. § 5136. (Added 1977, No. 93; amended 1987, No. 33, § 2; 1989, No. 45, § 14.)

- **§ 5152. Disconnections prohibited; state of emergency**

(a) Notwithstanding this chapter or any provision of law to the contrary, a municipality; a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 and who provides another person water as a part of the operation of that public water system; or a company engaged in the collecting, sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) shall be prohibited from disconnecting any person from services during a declared state of emergency under 20 V.S.A. chapter 1, provided that:

(1) the state of emergency is declared in response to an all-hazards event that will cause financial hardship and the inability of ratepayers to pay for water or sewer services; and

(2) the all-hazards event does not require the water or sewer service provider to disconnect services to protect the health and safety of the public.

(b) A person or company that is subject to subsection (a) of this section may temporarily disconnect water or sewer services during the declared state of emergency when the temporary disconnection is necessary for the maintenance or repair of the water or sewer system.

(c)(1) A violation of subsection (a) of this section by a municipality or a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 may be enforced by the Agency of Natural Resources pursuant to 10 V.S.A. chapter 201.

(2) A violation of subsection (a) of this section by a company engaged in the collecting, sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) may be enforced by the Public Utility Commission pursuant to 30 V.S.A. § 30.

(d) A ratepayer shall remain obligated for any amounts due to a water or sewer service provider subject to this section. The ratepayer shall have a minimum of 90 days after the end of the declared state of emergency to pay the amounts due. (Added 2021, No. 157 (Adj. Sess.), § 11, eff. July 1, 2022.)