

Town of Stowe
Selectboard Guidelines Regarding Collection of Delinquent Water / Sewer
Accounts

1. **Purpose:** To provide guidance regarding the collection of delinquent water and sewer accounts.
2. **Authority:** The Town Manager, Electric Department General Manager or their designees may collect water and sewer accounts as authorized by law and in accordance with these Guidelines.
3. **Definitions:**
 - a. *Delinquency* means failure of the ratepayer to tender payment for a valid bill or charge by the “due date” or at least 30 days after the postmark date of that bill or charge, whichever is later.
 - b. *Notice* means the written notice on the form prescribed in 24 VSA 5144, 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. **Disconnect Guidelines:** Unless the customer has a current payment plan, if an account becomes delinquent the Electric Department shall send out a disconnect notice.

The Water Department shall not turn off water to a delinquent account if it will also turn off the water to other accounts that are not delinquent. This shall not apply to an account in the name of the property owner with tenants as long as notice is provided to both the property owner(s) and all occupants of the property. It shall also not apply to an account of a single tenant of a property owner provided notice is provided to both the property owner and all tenants of the property.

No water/sewer shall be disconnected if the delinquent account amount is fifty dollars (\$50.00) or below.

No water / sewer shall be disconnected if there is a written payment plan in effect and payments are being made in accordance with the payment plan.

No water / sewer shall be shut off if it falls within the statutory restrictions to shut off water under 24 VSA 5142.

No water / sewer shall be shut-off if there is an active appeal to the Selectboard in accordance with 24 VSA 5147.

If none of the aforementioned applies, the Water Department shall disconnect the water in accordance with state law, unless otherwise agreed to by the Town Manager for because it is in the best interest of the municipality and ratepayers not to do so.

5. **Payment Plans:** The Electric Department shall serve as the “credit supervisor” and may enter into a payment plan provided the ratepayer keeps the current amount paid and the payment plan would not permit any delinquency to be over one year past due. However, the Electric Department acting on behalf of the Water and Sewer Departments is not obligated to enter into more than two payment plans with a particular ratepayer within a calendar year and if the ratepayer fails to abide by the terms of the repayment plan, the utility can disconnect service after giving 72 hour notice.
6. **Interest:** An interest charge of 2% - shall be charged on any unpaid balance after 30 days of being billed and every month thereafter.
7. **Tax Sale:** The Town Manager may forward any delinquency over one year past due and over \$500 to the Collector of Delinquent taxes to process for tax sale. The Electric Department shall notify the Town Manager of any accounts that are meeting both criteria.
8. **Liens:** On behalf of the Water & Sewer Departments, the-Electric Department shall record in the Stowe Land Records in the same manner and the same effect as taxes are, a lien upon real estate under the provisions of 32 V.S.A., Section 5061, any delinquency over 60 days past due and over \$200. The Electric Department may also file a lien on other delinquent accounts if they deem it warranted.
9. The Town Manager or his designees may pursue any other collection remedies authorized by law.

Approved by the Water & Sewer Commissions on 11/27/17