

A RESOLUTION ENACTING POLICIES AND PROCEDURES  
FOR THE COLLECTION OF DELINQUENT ACCOUNTS RECEIVABLE

WHEREAS, the orderly administration of the District's affairs makes it necessary and appropriate to enact a policy and procedures for the collection of debts owed to the District; therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LAKEWAY MUNICIPAL UTILITY DISTRICT:

1. Final bills for all accounts receivable shall be marked "FINAL BILL" and bear the notation "DUE UPON RECEIPT".

2. If the FINAL BILL is not paid in full within 30 days from the date of its mailing, the District shall send a copy of the FINAL BILL with a separate letter by certified mail. The letter will state that if payment is not received within 30 days of this date, the account will be referred to a collection agency and/or Small Claims Court. The letter will also state that such action may affect the customer's credit. In addition, the following statement shall appear in large bold type on the letter:

**"THE DISTRICT IS ATTEMPTING TO COLLECT A DEBT AND  
ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE."**

3. If full payment is not received within 30 days from the date of the certified mailing, the remaining debt shall be referred to a collection agency approved by the Board of Directors for any amount owed in excess of \$50.00.

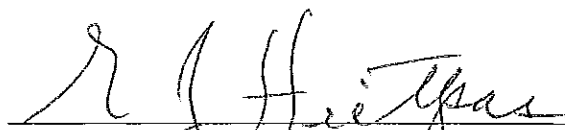
4. If the collection agency is unable to collect the debt within 60 days after being referred by the District, the District may file suit in Small Claims Court for any amount over \$200.00 unless the General Manager determines not to do so, based on information obtained during the collection process. All costs associated with Small Claims Court shall be paid by the debtor.

5. In March and September of each year, any uncollected debts remaining outstanding for more than three (3) months after all of the above applicable procedures have been completed shall be declared uncollectible and removed from the District's accounts receivable after approval by the Board of Directors.

6. These provisions shall be in addition to all other provisions relating to the billing and collection for District services; including, particularly, late payment charges, as set forth in the District's Rate Order and other enacted Orders and Resolutions of the Board of Directors.

PASSED AND ADOPTED this 9<sup>th</sup> day of September 2009.

  
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President, Board of Directors

  
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Secretary, Board of Directors