

A RESOLUTION AMENDING POLICIES AND PROCEDURES  
FOR RETURN CHECKS, INCLUDING BANK DRAFTS  
AND/OR CREDIT CARD DRAFTS

WHEREAS, the orderly administration of the District's affairs makes it necessary and appropriate to enact a policy and procedures for the handling of returned checks or drafts; therefore,

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

1. When a check or draft is returned unpaid or rejected, the customer is notified in writing by U.S. mail and given seven days to redeem the check or draft and pay any applicable fees established in the District's Rate Order.

a. If the customer submits payment of the return check or draft before the District receives notice, the return check fee is waived.

b. Redemption can be made by cash, money order, cashier's check or certified check.

2. If full redemption is not received by the seventh day, the customer's service will be terminated and a nonpayment/reconnection fee will be added. The nonpayment/reconnection fee applies whether or not the service is physically cut off.

3. On a second occurrence of a return bank draft within a year, the customer must pay for the bills in cash for one year and a security deposit will be required.

4. On a second occurrence of a return credit card draft within a year, the customer will be removed from drafting for one year, and a security deposit will be required.

The District will attempt to collect a debt and any information obtained will be used for that purpose.

PASSED AND ADOPTED THE 14 day of September, 2011.

  
Secretary, Board of Directors

  
President, Board of Directors