



## Harbor View Mutual Water Company Delinquent Assessment and Collection Policy

### **Purpose**

The Board of Directors of Harbor View Mutual Water Company is responsible for collecting assessments, water charges, fees, and other amounts owed to ensure the operation, maintenance, repair, replacement, and improvement of the water system. These expenses are necessary for the safety and well-being of all property owners served by the Company.

This policy establishes procedures for the collection of delinquent assessments, water charges, fees, penalties, and other amounts owed to Harbor View Mutual Water Company.

This policy is adopted in accordance with the Harbor View Mutual Water Company Bylaws, Rules and Regulations, Discontinuation of Water Service Policy, and applicable California law.

### **Delinquent Accounts**

Assessments, water charges, and other amounts owed to Harbor View Mutual Water Company are due upon receipt and become delinquent if not paid within thirty (30) days.

Delinquent accounts may be subject to late fees, interest, collection costs, attorney fees, and other costs as permitted by law and Company policy.

Water service may be discontinued for non-payment in accordance with the Harbor View Mutual Water Company Discontinuation of Water Service Policy.

Unpaid balances may also result in a lien being recorded against the property.

### **Pre-Lien Notice**

When an account remains delinquent, the Company may send a Pre-Lien Notice by certified mail to the property owner at the owner's last known mailing address. The notice will include:

- The amount of the delinquent balance
- Late fees, interest, and collection costs
- Notice of the Company's intent to record a lien if the account is not brought current
- Notice of the owner's right to request a meeting with the Board to discuss the delinquency

### **Lien**

If the delinquent balance is not paid within the time specified in the Pre-Lien Notice, the Company may record a lien against the property to secure the debt.

The decision to record a lien shall be made by the Board of Directors and recorded in the meeting minutes, referencing the property by parcel number.

All costs associated with recording the lien shall be added to the delinquent account.

### **Collection Actions**

In addition to or instead of recording a lien, the Company may pursue collection of delinquent amounts through:

- Collection agencies
- Small claims court
- Superior Court action
- Foreclosure of lien, when permitted by law
- Any other legal remedies available

All costs of collection, including attorney fees, court costs, administrative costs, and collection fees, shall be added to the delinquent account.

### **Payment Plans**

A property owner may request a payment plan to satisfy a delinquent balance. Payment plans may be approved by the Board of Directors in accordance with the Harbor View Mutual Water Company Alternate Payment and Payment Plan Policy.

If a payment plan is approved and the property owner remains current on the payment plan, additional late fees may be suspended during the payment plan period.

If the property owner fails to comply with the payment plan, the Company may resume collection actions, including lien and foreclosure procedures.

### Application of Payments

Payments received on delinquent accounts shall be applied in the following order:

1. Principal balance
2. Interest
3. Late fees
4. Collection costs and attorney fees

### Returned Checks

Any check returned for insufficient funds, stop payment, or any other reason shall be subject to returned check fees, bank fees, and administrative fees, which will be added to the account balance.

### Policy Authority

The Board of Directors reserves the right to modify and amend this policy from time to time as necessary and in accordance with applicable California law.

Approved by the Board of Directors  
Harbor View Mutual Water Company

Approved this \_\_20<sup>th</sup>\_\_ day of \_\_May\_\_\_\_\_, 2026.

\_\_\_\_/ s Carina DeHerrera\_\_\_\_\_  
Board President

\_\_\_\_/ s Christine Lavezzo\_\_\_\_\_  
Board Secretary