

RESOLUTION NO. 13R-05

A POLICY STATEMENT OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY ESTABLISHING A POLICY FOR THE APPROVAL OF THE EXPENSE OF BAD DEBT

The Board of Directors of the Bighorn-Desert View Water Agency desires to implement a policy for the processing of uncollectible customer debt.

WHEREAS, on an annual basis the Agency incurs approximately 0.5% of its total Accounts Receivables in bad debt.

WHEREAS, in accordance with Generally Accepted Accounting Practices it is necessary to expense annually a percentage of accounts receivables to bad debt.

WHEREAS, this Resolution rescinds and repeals Policy No. 09P-03.

Therefore, the Board of Directors of the Bighorn-Desert View Water Agency hereby establishes the following steps necessary prior to the annual consideration of bad debt expense authorization.

1. Per Article 10.2 of the Agency Rules and Regulations for Water Service, the owner of each separate premises is ultimately responsible for the payment of all applicable water service charges.
2. Delinquent closed accounts under \$25 will be written off to bad debt or continue to follow the owner of title until paid. These amounts are too insignificant to pursue further.
3. Thirty (30) days following the billing delinquent date, the Owner shall be notified in writing that the account is past due and the Owner must assume responsibility for the outstanding balance.
4. At least once per year, all outstanding delinquent accounts will be forwarded to the County of San Bernardino for collections through a secured property tax lien imposed on the delinquent property.

Also, throughout the year properties identified as severely delinquent may receive an unsecured property tax lien. Should the Agency decide to record an unsecured property tax lien, the lien, if unpaid, will be converted at the time the Agency performs its regular secured property tax lien, generally beginning in May of each year.

5. Delinquent account records shall be retained until such time they are deemed to be "bad debt".

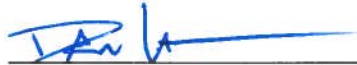
6. At least once per year, the total of actual bad debt expense shall be submitted to the Board of Directors for acknowledgement and written off of the bad debt expense.
7. All fees associated with the lien and lien processes are the responsibility of the customer.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Bighorn-Desert View Water Agency this 26th day of March 2013.

By


Michael McBride, Board President

Attest:



David Larson, Board Secretary