

## SRP IRRIGATION CREDIT POLICY

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### 1.1 PURPOSE

The purpose of the SRP Irrigation Credit Policy is to document the methods and dates by which the users of water supplied by the Salt River Valley Water Users' Association (SRVWA) will be notified of due and delinquency dates of water Basic Charges, Water Delivery Fee and Excess Water Debits. The procedure also sets forth cut-off dates for water service when delinquency occurs and standard methods of handling overdrafts or insufficient balance on water delivery accounts (flood irrigation).

### 1.2 BACKGROUND

In keeping with the intent of the Board of Governors Resolution dated February 7, 1955, the water cut-off notification procedure, and timing thereof, has been updated to reflect current practices and efficiency of payment processing. In addition, published communication methods have changed throughout the years and this updated procedure will address and define those changes and the departments responsible for initiating and communicating cut-off notifications.

### 1.3 POLICY

The procedures contained herein supersedes the procedural directive implied by Standard Practices Bulletin No. 5-30-2 with an effective date of May 22, 1974. The effective date of this procedural directive was updated July 8, 2019.

#### 1.3.1 Objective

The objective of this procedural directive is to reduce the responsibility of delinquencies on irrigation accounts due to shareholders/customers failure to observe due and delinquent dates.

#### 1.3.2 Definition of Terms

Basic Charges: The rate set by the Board of Governors of the SRVWUA annually to be applied to operations and maintenance of the system.

Water Delivery Fee: Covers cost of servicing active accounts and includes record keeping of water orders, water charges, and water scheduling of subdivision accounts

Annual Subdivision Fee: This includes the 3<sup>rd</sup> AF per acre allocated water annually for SRP member lands and all allocated water.

Cut-Off Notice: Notification, either verbal or written, to shareholders/customers, that additional delivery of water will be denied until the account delinquency is corrected via payment.

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Release of Account: The action taken to qualify an account for full water entitlement once the Basic Charges and/or fees are paid.

Notice Runs: Water runs of undetermined duration at the time the order is placed.

Excess Water Debit: Water ran in the previous year that was in excess of water purchased in that year.

Stock Water: Water delivered for livestock drinking purposes.

Frost Water: Water used through groves or orchards on cold nights to prevent/alleviate frost damage.

Irrigation Newsletter: A publication prepared quarterly (January, April, July and October) by the Water Delivery Department and distributed by mail to shareholders and irrigation customers.

### **1.3.3 Procedures**

#### **1.3.3.1 Annual Billing**

The preparation and mailing of billing statements for Basic Charges and Water Delivery Fees are performed by the Water Accounting Department. Notices are also published in the Irrigation Newsletter. Accounts larger than one acre, or accounts served on an individual basis have the option to pay 1<sup>st</sup> half Basic Charge and the Water Delivery fee. Residential subdivision customers have the option to pay half of their annual bill which includes Basic Charge, Water Delivery Fee and Annual Subdivision Fee.

Per the SRP Association Articles of Incorporation: Charges for the service of water shall be paid in advance of its delivery. No water shall be delivered in any year beyond the year in which the contract was made for water (See Appendix A).

#### **Irrigation Newsletter Notification**

Notice of the due, delinquent, and cut-off dates will be published in the Irrigation Newsletter mailed in conjunction with the annual billing of Basic Charges and Water Delivery Fees no later than November 21st of each year.

#### **Action on Accounts Not Paid for the Subsequent Year**

On, or after, December 6th of each year, any water customers that have not released their accounts for the subsequent year and are placing water orders on their accounts for a duration beyond December 31st, will be informed by the Water Contact Center or Water Subdivision Scheduling that their water orders will only be scheduled through 23:59 hours on December 31<sup>st</sup>, until the proper payment for the subsequent year has been made. Any water runs in progress on December 31st on accounts that have not been released for the subsequent year will be terminated no later than 23:59 hours on that date unless the proper payment for the subsequent year has been made. As an exception to the above procedure one run of stock water or frost water can be authorized.

### **1.3.3.2 Excess Water Debits**

The preparation and mailing of billing statements for excess water debits is performed by the Water Accounting Department. The billing statements for excess water debits are mailed no later than January 10th of each year.

#### **Action on Unpaid Excess Water Debits**

On February 19th of each year, any water orders placed by customers whose accounts have outstanding excess water debits will be refused and their orders will be held until the excess debit is paid. On February 19th of each year, all accounts running water will be notified that their runs will be terminated by 23:59 hours on February 21st unless the excess water debit is paid. If February 21st falls on a Saturday or Sunday, the date will be effective the following Monday (unless it is a holiday which will delay the deadline until Tuesday). The foregoing action will not apply if the total excess water debit is \$1.00 or less. Excess water debits of this minimal amount will be billed and collected at the next normal billing cycle.

### **1.3.3.3 Second Billing**

The preparation and mailing of Second Billing statements is performed by the Water Accounting Department. The billing statements for Second Bills are mailed no later than May 21st of each year. Accounts larger than one acre, or accounts served on an individual basis will receive a second bill. Residential subdivision customers who have partially paid will receive a second bill.

#### **Irrigation Newsletter Notification**

Notice of the due, delinquent and cut-off dates will be in the Irrigation Newsletter mailed in conjunction with the Second Billing no later than May 21st of each year.

### **1.3.3.4 Third Billing**

A third bill will be mailed on July 1<sup>st</sup> of each year to the residential/subdivision water customers still owing for the Second Billing. Billing will show due immediately.

### **1.3.3.5 Water Delivery Cutoffs**

Beginning July 11th of each year, any customer placing a water order on an account owing the Second Bill will be informed by Water Contact Center or Water Subdivision Scheduling that the Second Bill is due. On July 11th of each year, the residential/subdivision water customers with unpaid Second Bills which have water runs in progress will be notified by Water Contact Center or Water Subdivision Scheduling that their water runs will be terminated by 23:59 hours on July 13th. If July 13th falls on a Saturday or Sunday, the date will be effective the following Monday.

Accounts larger than one acre, or accounts served on an individual basis will be informed by the Water Contact Center or Water Subdivision Scheduling that the Second Half bill is due. On July 1st of each year, the water customers with unpaid Second Half bills, which have water runs in progress will have water

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runs terminated by 23:59 hours on July 1st. If July 1<sup>st</sup> falls on a Saturday or Sunday, the date will be effective the following Monday unless it is a holiday which will delay the deadline until Tuesday.

### Overdrafts

All water orders on accounts having a water balance will be accepted. If the water order is for a "Notice Run" or a "Specified Hours Run" with an insufficient purchased water balance, the shareholder/customer will be advised of their current balance and that they must purchase additional water if the water run is to extend beyond their water balance. Should the shareholder/customer fail to purchase water, the Zanjero shall terminate the water run when the available balance expires.

### 1.3.4 Examples of Notifications

#### Irrigation Newsletter - October Quarterly Issue

The following notification is placed in the October quarterly issue of the Irrigation Newsletter for Residential water customers and mailed no later than October 21<sup>st</sup> of each year:

##### ***WATER PAYMENTS ARE DUE DEC. 6th***

*The (year) water Basic Charges and Delivery Fees or first half installments are due Dec. 6, (year) please submit payment by the due date to ensure uninterrupted water delivery.*

*Late charges will accrue on unpaid Basic Charges 30 days after the due date. The late charge will add 1% to the unpaid Basic Charge balance each month.*

*No (year) water can be delivered until the first half of the annual bill is paid.*

*Please call (602) 236-3333 if you have questions regarding water Basic Charges or Water Delivery fees.*

The following notification is placed in the October quarterly issue of the Irrigation Newsletter – Agricultural & Other Urban Shareholders and mailed no later than October 21<sup>st</sup> of each year:

##### ***WATER PAYMENTS ARE DUE DEC. 6TH***

*The (year) water Basic Charges and Delivery Fees are due Dec. 6, (year). Please submit payment by the due date to ensure uninterrupted water delivery.*

*Water accounts of one acre or less, served on a subdivision basis, should pay half of the full amount by Dec. 6. Accounts of larger than one acre, or accounts served on an individual basis, may pay in two installments. The Water Delivery Fee and one-half of the Basic Charge are due Dec. 6 and provides the first AF per acre of base allocation water. The second half of the Basic Charge payment is due by June 6, (year) or whenever the second AF per acre of base allocation water is required prior to June 6, (year). The entire annual Basic Charge must be paid in full prior to purchasing any additional water such as normal flow and/or pump right water.*

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*Late Charges will accrue on unpaid Basic Charges 30 days after the due date. The late charge will add 1% to the unpaid Basic Charge balance each month.*

*No (year) water can be delivered until the first half Basic Charge and Water Delivery Fee is paid.*

*Please call (602) 236-3333 if you have questions regarding water Basic Charges or Delivery Fees.*

### **Irrigation Newsletter - January Quarterly Issue**

The following notification is placed in the January quarterly issues of both the Irrigation Newsletter – Residential Shareholders and the Agricultural & Other Urban, mailed no later than January 21st of each year:

*The Excess Water Debit charge is for water that was ordered (charged) in (year) but was not purchased. To ensure uninterrupted water delivery, payment of the Excess Water Debit charge must be received prior to February 21st, (year). The prior year charge must be paid regardless of whether you plan to run water in (year). If you have any questions regarding this billing invoice, please call (602) 236-3333.*

### **Irrigation Newsletter - April Quarterly Issue**

The following notification is placed in the April quarterly issues of both the Irrigation Newsletter for Residential water customers and the Agricultural & Other Urban water customers, mailed no later than April 21st of each year:

#### ***PAYMENTS DUE JUNE 6TH***

*If you have not already paid your total (year) Irrigation Bill, the second half is due June 6th. Late-payment charges will accrue on unpaid second-half Basic Charges beginning midnight July 6th. The late charge will add 1% to the unpaid balance per month to your account. If you have any questions about your water payment, please call us at (602) 236-3333.*

## Appendix A. SRP Association Articles of Incorporation.

### ARTICLE XII

(Renumbered December 16, 1969)

#### Revenues, Assessments, etc.,

#### Delivery of Water and Acquiring of Ditches

Section 3. The Board of Governors shall, at such time as may be fixed by by-laws, estimate the probable cost of the operation, maintenance, repair, enlargement and betterment of the works of the Association and those under its management, care and operation, for the next ensuing fiscal year, including therein any deficit otherwise unprovided for, and the amount probably necessary to pay the Government the annual installments of the construction cost of the Salt River Project, assumed by the Association. It shall, also, at the same time, estimate the probable income of the Association from all sources, other than that which may be derived from the service of water to its shareholders, if any.

From such estimated cost there shall be deducted the estimated income, and upon this difference shall be computed the charge to be made to the shareholders for the service of water for the calendar year next ensuing. Such charge shall be based as follows: (Amended December 16, 1969)

(a) The estimated aggregate annual cost of servicing the active water service accounts of the shareholders of the Association shall be divided and/or apportioned among such individual accounts and the owners of the land included therein, as may be provided by the By-Laws of the

Association. (Amended April 6, 1948)

(b) Such charge, after being reduced by the amount estimated under paragraph (a) above, shall be based upon the service of each acre-foot as the unit of measurement. A minimum charge shall be made against every acre or fraction thereof, to which stock is appurtenant of a charge, as for the use of, two acre-feet per acre or fraction thereof; whether used or not by the owner.

(Amended December 16, 1969)

The Board of Governors shall each year fix the charge to be made for each acre-foot of 15 water in excess of two acre-feet used by the owner. (Amended December 16, 1969)

The price to be charged per acre-foot of water to be served shall be fixed as near as can be practically done, so that the aggregate receipts from that source shall equal with other amounts applicable thereto, the cost of operation, maintenance and repair for the year for which such charge is fixed.

Charges for the service of water shall be paid in advance of its delivery.

No water shall be delivered in any year beyond the year in which the contract was made for water.

## **Appendix B. SRP Water Delivery Use Agreement – Section 29**

### **Action Pending Resolution of Dispute**

Pending the resolution of a dispute pursuant to Section 29, the Parties shall make payments and otherwise perform, to the extent legally permissible, in a manner consistent with this Agreement. Amounts paid by a Party pursuant to this Section 30 during the pendency of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due. Upon such final resolution, A) money due shall be billed and remitted in accordance with Section 23, and B) as to any water due, the Authorized Representatives shall arrange for the owing Party to return the amount owed as soon as practicable.