



ADMINISTRATIVE POLICIES & PROCEDURES MANUAL		Subject: Finance Reconnect Policy	
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Supersedes: FIN-11 August 19, 2014	Brad Corcoran, City Manager		

# **RECONNECT POLICY**

## **PART ONE – INTRODUCTION**

### **I. AUTHORITY**

The enactment and revision of these policies requires the approval of the Eden City Council. As fee schedules rates and other specific policies are updated, it will be the responsibility of the City Manager to make sure the policy manual is revised.

The Director of Finance and Personnel or designee shall serve as the hearing or grievance officer for customers. The Director of Finance and Personnel is authorized to hear concerns and complaints, settle disagreements and reconnect any customer disconnected for non-payment while the concern is investigated, if he/she deems necessary.

The City Manager shall review any unfavorable decision of the Director of Finance and Personnel if the customer so indicates. If the City Manager deems it appropriate, he may set aside the decision of the Director of Finance and Personnel and issue a new decision. The City Managers decision will be final.

All grievances must be heard and addressed by the hearing officer prior to appeal to the City Manager.

### **II. SCOPE**

1. This policy is not meant to be all-inclusive but offers direction and guidance for the City Manager and employees of the City.
2. This policy has been adopted by the City of Eden City Council for all utility customers of the City.
3. The intent of this policy is to provide the customer and the employees of the City a helpful guide with uniform procedures for providing utility service. The City desires to treat its citizens in a fair and indiscriminate manner while recognizing that each customer has distinct needs and requirements.
4. Employees of the City have been empowered and trained to use this policy to deliver high quality service to customers. Employees are expected to deal with each decision with compassion and understanding, listening carefully to the needs and requirements of Individual customers. Ultimately, the City Manager accepts the responsibility as the final authority on this policy.

5. This policy is not meant as a substitute for personal initiative on the part of employees. It will serve as a guide for reasonable response to customer needs while meeting the requirements of good business practices on the part of the City.

### III. DEFINITIONS FOR TERMS USED IN THIS POLICY

1. APPLICANT:  
Any person(s) or entity requesting, water, sewer, and solid waste service or any combination thereof.
2. CITY COUNCIL:  
Those officials elected to represent the citizens of the City of Eden.
3. CUSTOMER:  
Any person(s) or entity purchasing, water, sewer, and solid waste service or any combination thereof from the City.
4. EMPLOYEES:  
The employees of the City of Eden, charged with the responsibility of delivering services to the citizens and customers while ensuring good business practices and considering the needs and wants of the customers
5. FAMILY:  
All the members of a household under one roof.
6. GOOD CREDIT:  
Good credit is defined as not more than two (2) delinquencies, no bad checks and no disconnections in the most recent 24 month period for residential customers and a 24 month period for commercial customers.
7. TAMPERING:  
Unauthorized altering of the status of water; or sewer meter by non-city personnel for the purpose of receiving water and/or sewer service or any combination thereof without paying for them.
8. UTILITY:  
The City of Eden Customer Service Department.
9. UTILITY SERVICE:  
Includes Water, Sewer, and Solid Waste or any combination thereof.
10. BILLING DATE:  
Date bills are printed and mailed from the Finance Office.

11. CUT OFF DATE:

Date 30 days after the billing date.

12. PULL METER DATE:

Date 10 days after the cut off date.

#### **IV. APPLICATION OF THIS POLICY**

1. This policy applies to every customer and/or applicant for utility service. Copies of this policy are available at the City's offices.
2. This policy may be revised, amended, supplemented or otherwise changed from time to time by action of the City Council. Customers are encouraged to seek answers to any questions by calling the City offices.
3. The City is not responsible for any damage caused by turning on or off City utility services.

#### **V. CONFLICT**

Provisions of a special contract between the City and a customer will take precedence over these policies.

#### **VI. PART OF ALL CONTRACTS**

Except as otherwise provided, these policies are part of all oral and written contracts for providing and receiving utility service from the City.

#### **VII. NO PREJUDICE OF RIGHTS**

Although the City and its customers may not always exercise the rights specified in these policies or available to them by law, that does not prevent the municipality or the customer from exercising those rights at another time.

### **PART TWO - RIGHTS AND RESPONSIBILITIES**

#### **I. GENERAL**

The customer and the City have unique rights and responsibilities toward utility service. These responsibilities, detailed fully throughout this policy, are summarized here.

## II. CUSTOMER RESPONSIBILITY

1. To establish credit in one of these ways.
  - a. Proof of land ownership of the premises to be served.
  - b. Acceptable credit references.
  - c. Proof of 12 months of good payment history with another utility that provided similar services being requested.
  - d. Name a qualified person currently using City of Eden utility services of the type being requested to guarantee payment of bills up to a certain amount.
  - e. Pay a cash deposit as prescribed in the most current Schedule of Fees and Charges.
2. Allow City of Eden personnel unobstructed and unrestricted access to property to set up (install) and maintain City owned property and for obtaining meter readings.
3. Pay bills by the due date shown on each bi-monthly bill.
4. Notify the City Customer Service Representative of another person a customer would like to receive any notice of service interruption for non-payment of bills.
5. Notify a City Customer Service Representative if there is someone in the household who is on a life support system.
6. Notify the City Customer Service Representative of questions or complaints about service.
7. Be aware of city property at the customer's home/business and safeguard it.
8. Install, maintain and repair utility systems in the home/business.
9. The City provides utility service for the sole use and convenience of the premises under contract. The customer will ensure that utility service is not given or resold to a neighbor or tenant. All utility services must be in the name of the legal occupant of the property. Legal occupant is defined as the individual(s), to whom the property is rented, leased or sold as evidenced by a deposit receipt, rental agreement or lease, contract for sale or deed. Exception to this policy shall be where the property is rented or leased to a tenant as "fully furnished" to include utilities. Fully furnished is defined as one daily, weekly, or monthly charge that is not dependent upon fluctuations in bills for utilities. Violation of this policy is a violation of federal and state laws that prohibits the "resale" of utilities without

being properly licensed by the appropriate agency and will be cause for immediate disconnection of service.

10. The customer will be responsible for any damages done to the City's property through neglect, willful tampering, and the unauthorized altering of the status of a meter by any non-city personnel for the purpose of receiving water and/or sewer service or any combination thereof without paying for them.

### **III. CUSTOMER'S RIGHTS**

1. A customer has a **right** to request a deposit to be refunded if he/she or they establishes "good credit" as defined elsewhere in this policy, or discontinues service from the City.
2. If the customer is notified of an impending disconnection for non-payment, he/she or they have a right to request installment payments designed to pay the account in full. According to an agreement made with the City's customer service representative.
3. The customer has a right to request reasonable historic billing and usage information. A fee shall be charged if the request for such information is unrelated to a disputed utility account. Further, the customer may request a meter test. The first request in any twelve consecutive month period shall be performed without charge to the customer. For additional requests, a fee as prescribed in the most current Schedule of Fees and Charges shall be charged if the meter is within accepted tolerances (plus or minus 2 percent). The customer has a right to results of this test.
4. The customer has a right to request a review of any complaint according to the hearing procedure.

### **IV. CITY RESPONSIBILITY**

1. To refund the customer's deposit if required conditions for establishing "good credits" are met.
2. To give written notice before service is interrupted for failure to pay. The notice will explain the reason for disconnection, the date when service will be disconnected and explain how the customer can avoid service interruption.
3. Notices will respect a customer's right to privacy, regarding publication of debt. This notice of service interruption is included on the back of each utility bill rendered.

4. To avoid disconnection for non-payment during extreme weather conditions as defined elsewhere in this policy.
5. To avoid disconnection for non-payment after 4 p.m. the day prior to a holiday or a weekend.
6. To provide and explain rate schedules how meters are read, and other additional, reasonable information.
7. To respond to questions or complaints from customers. The City may not agree with the complaint but pledges prompt courteous and honest answers.
8. To provide reasonable historic billing and usage information when requested by the customer.
9. To provide water usage and conservation information.

## **V. CITY'S RIGHTS**

1. To access the City's utility facilities.
2. To receive timely notice of changes in address, status of utility service, or problems with utility service.
3. To receive timely payment for services delivered to a home/business.
4. The appropriate department of the City is allowed to take action in court regarding equipment tampering or financial delinquencies.

## **PART THREE – ESTABLISHING SERVICE**

### **I. OFFICE AND SERVICE HOURS:**

1. The City's Customer Service Office is located in the Eden City Hall. This office is open from 8:30 a.m. to 4:30 p.m., Monday through Friday. Routine and regular service work will be performed during these hours, except for holidays.
2. Emergency restoration work is performed 24 hours a day, seven days a week. Involuntary termination due to non-payment is not considered "emergency restoration".

## II. REQUEST FOR SERVICE:

1. Original application for service: Any customer requesting utility services will complete an application and agreement for services. The customer will:
  - a. provide a photo identification card or drivers license either of which is issued by the State of North Carolina, provide a photo copy of a social security card issued to applicant(s) or a certification issued from the social security administration certifying social security number or Federal Tax ID number in the case of a business account, and
  - b. provide deed, deposit receipt, lease agreement or contract for sale; and
  - c. Sign the application, (if joint application, all applicants must sign).

NOTE: Applicants not having all of the above criteria shall not have services delayed, however, he/she or they shall be given five (5) days to provide information or services will be terminated

  - d. A separate application will be required if services to more than one service address is requested,
  - e. In the case of property owners, a copy of the deed or a tax receipt from the Rockingham County Tax Collector's Office to the property must be provided and all owners listed must sign the application.

2. Accounting Information Changes: Any changes of account information, mailing address, account name, etc., shall be made in writing and in person by the account-holder(s) to prevent mistakes.
3. Non-residential Accounts: Accounts established for non-residential service will require a Federal Tax ID number and a letter of authorization on the corporation's letter head and signed by an officer of the corporation who is authorized to commit the corporation to financial obligations. For a non-incorporated business, the account will be listed in the name of the business with a responsible person (owner, partner, manager, etc.) signing the application. That person accepts the personal responsibility for payment of the account.
4. Service Requests for Utilities Service: Any request for utility service at a service location must include all services applicable to the location. Partial services will not be established. Example - A service location that has water and sewer will not have water only established. Application fees



shall be those identified in the most current Schedule of Fees and Charges for the City.

5. Connection Fee: An applicant for utility service shall pay an initial connection fee for each service located at the service address. Fees shall be those identified in the most current Schedule of Fees and Charges.
6. Place of application: Customers shall request utility service at Eden City Hall Customer Service Office. Application for utility service must be made in person by the individual owner(s) and/or occupant(s) at the property. Occupant(s) will be determined to be the person(s) named in the lease agreement.
7. Service connections: The City will strive to meet customers' needs for connection of service. Normal Connections will be made as follows:
  - For service applications received prior to 12:00 (noon), connections will be made prior to 5:00 p.m. on the day of application.
  - For service applications received after 12:00 (noon), connection will be made prior to 12:00 (noon) the next business day.

However, certain circumstance or conditions may require up to 24 business hours to connect.

8. Out-of-city connection requests: If a customer wants to obtain service prior to arrival in Eden, the City may provide service. The customer may contact the Customer Service Office by telephone to request the service, make arrangements for deposit required, and provide the scheduled date of their arrival. The customer will be required to personally come into the Customer Service Office to complete an application and agreement for services, and establish credit with the City within five (5) days following the scheduled date of arrival or the service will be discontinued and the account closed.
9. Temporary cut-ons at permanent dwellings: The City shall request a connection fee (see Schedule of Fees and Charges) to be paid for the expense of cutting on and off utilities regardless of the actual time service is needed at a permanent premise. The purpose of this fee is to recover costs for cut-on and cut-off of difficult services.
10. Explanation of Policies: Customers can request a verbal explanation of the City's policies and may obtain a written copy of the guidelines as well.

### **III. CONNECTION SCHEDULING:**

Connection to the City's utilities system is available during normal business hours.

### **IV. PRIOR DEBTS:**

The City shall not furnish service to an applicant when the applicant or any member of the applicant's household (does not necessarily have to be a family member), who is indebted to the City for service previously furnished; until all indebtedness has been satisfied or satisfactory repayment arrangements have been made.

## **PART FOUR - CUSTOMER DEPOSITS**

### **I. GENERAL:**

City employees are charged with the responsibility of prudent management of the City's finances. A deposit for utility services is collected as security that all bills will be paid in full by their due date. Employees realize that most customers pay their bills in full and on time, however, the City seeks to protect the good-paying customers from the detriment of uncollectible accounts by other customers. Ideally, only those customers who "earn" the right to pay a deposit would be required to secure their accounts. Since the City employees cannot know in advance, which customers will pay promptly and which ones will not, reasonable and uniformly applied deposits may be necessary. A service security deposit will be collected before any service is connected when it is determined that a deposit may be needed to assure payment of the customer bill. Options to the customer deposit also have been created.

### **II. PAYMENT BONDS**

All large accounts (defined as having or anticipating a monthly bill in excess of \$5,000) will be required to present the City with a payment bond equivalent to the cost of two months average service in lieu of a deposit. The initial amount of the payment bond will be determined through direct collaboration of the applicant and the Director of Public Utilities or his designees. Thereafter, "average service" shall be determined on an annual basis based upon the average monthly bill for the prior calendar year. The payment bond will be on a calendar year basis and subject to annual adjustments and renewals in January of each year for as long as the applicant desires service. Failure of the applicant to maintain a current payment bond will result in immediate termination of service.

### **III. DETERMINING THE DEPOSIT:**

In determining the need for security deposit, excluding large accounts, and in fixing the amount of the deposit, City employees will give careful consideration to these factors:

- Customer's ownership of the premises to be served.
- Type of service requested.
- Risk involved in a new business enterprise.
- Reputation of the involved premises.
- Overall credit rating of the customer.
- Utility credit rating of the customer with the municipality or another utility providing similar types of service being requested.
- History of connects, disconnects and reconnects at the involved premises or for the involved customer (For residential customers, a 12-month history of service with the municipal utility. For commercial customers, a 24 month history).
- Any other factor which bears on the customer's financial responsibility.
- Guarantor agreement.

### **IV. CUSTOMER DEPOSIT ALTERNATIVES:**

Any applicant who must pay a deposit (not a payment bond) for utility service may:

- a. Pay initial cash deposit. (See Schedule of Fees and Charges).
- b. Supply a letter of credit demonstrating good credit with another water and/or sewer utility providing the same type of services being requested. Example: Customer requesting Water and Sewer services may use a letter of credit from a water utility only to satisfy deposit requirements.
- c. Have a guarantee agreement signed by a current City utility customer who has good credit with the City. The guarantor will be responsible for an amount up to the amount of the deposit, if the customer does not pay its bill. The guarantor will be notified by the City of an impending disconnection. Additionally, Guarantor must have same type of services with the City that he/she is guaranteeing. If Guarantor does not have water service, he/she can not guarantee such services. Further, Guarantor will be limited to two (2) active guarantees at any one time.

The agreement will remain in effect for three (3) years from the date of agreement unless the applicant establishes "good credit" (as defined elsewhere in this policy) with the City of Eden. Should the

applicant fail to establish "good credit" at the end of the three (3) years, he/she or they must place an appropriate cash deposit. Further, a minimum of twelve (12)-billing cycles is required for the applicant to establish "good credit" with the City of Eden.

- d. Any applicant whose history indicates they had bad debts with the City of Eden will be required to place a cash deposit of twice that required by the most current Schedule of Fees & Charges.
- e. Any applicant who has established "good credit" within the City of Eden, may not be required a deposit when they establish a business within the City of Eden.

#### **V. DEPOSITS FOR SHORT TERM SERVICE:**

Any person requesting services to either clean or show a residence for rent or sale may be required to satisfy a deposit as stated in the above paragraph,

#### **VI. FUTURE/ADDITIONAL DEPOSITS:**

Any customer, whose service is involuntarily terminated for either non-payment, meter tampering or other reasons will be required to pay a deposit, or add an additional deposit, as specified in the above paragraphs, prior to reconnection of service. This includes all customer accounts. The future deposit may be at a higher level based upon experience with the account, but it may not exceed one- third of the actual yearly charge for that account, when service has not been connected long enough to determine yearly charges. Two (2) times the cash deposit requirements as specified in the most current Schedule of Fees and Charges shall be charged.

#### **VII. FLOATING DEPOSITS:**

A builder who is constructing concurrent establishments may be allowed to pay only one deposit for several service locations. Further any builder currently under this arrangement who declines to make payment for any service provided under this provision shall immediately lose his/her or their privilege to use this arrangement). A builder who has established "good credit" as define elsewhere, shall lose the "good credit" status and be required to pay a deposit for each building site for the non payment of his accounts.

#### **VIII. NOTE TO ALL CUSTOMERS:**

Contact with a Customer Service Representative of the City prior to disconnection is always more favorable than making arrangements after

service is involuntarily interrupted. Payment options may be available prior to disconnection, which will save the customer from additional higher deposit amounts and additional fees.

## **IX. REFUNDING OF DEPOSITS:**

1. Prompt Refund: A deposit will be refunded promptly and automatically when service is voluntarily discontinued, all outstanding amounts on the final bill will be deducted from the deposit amount.
2. Residential and business accounts: The City will promptly return the customer's deposit when that customer exhibits good credit. The customer must request, in writing, this refund when good credit has been established.
3. Account in arrears: The deposit will not be refunded If the customer has another account with a past due balance. The remaining credit on the account will be transferred to another account with a balance.

## **PART FIVE- BILLING ADJUSTMENTS**

### **I. GENERAL**

If the City has inadvertently overcharged or undercharged a customer for utility service the City will promptly notify the customer and set up a payment process.

### **II. ADJUSTMENT PERIOD**

1. Should the mistake be in the customer's favor, the City will credit the customer's account with that amount if the time frame of the mistake can be determined. The City should credit the account for that entire interval, as long as it is not more than two years. If the period of the problem cannot be determined, the City should credit the excess amount charged during the previous 12 months. If the exact amount of excess charge cannot be determined. The City should estimate the amount due If an overcharged customer owes a past due balance to the City, the City may deduct that past due amount from any credit due.
2. If the City has inadvertently undercharged a customer for utility service, the City should collect the amount due in Installments over the same amount of time as the mistake upon customer request. If the period of the mistake can be determined, the City should collect the amount due for that entire interval, as long as it is not more than two years. If the period of the problem cannot be determined, the City will limit its collection period to the

12 months before the mistake was discovered. If the amount of usage cannot be determined, the City will estimate the amount due.

3. If an undercharge has occurred because of meter tampering, the overdue amount shall be immediately due in a lump sum.
4. If an overcharged customer owes the City on another account, the City will apply the credit to that past due account.

### **III. WATER AND SEWER ADJUSTMENTS**

#### **1. LEAKS AND WATER LINE BREAKS:**

It is the customer's responsibility to keep "utility systems" within the home/business in good working order. Therefore, the customer must use due diligence in effecting repairs as necessary. Upon discovery or notification of possible leaks, the customer must effect or cause repairs to be made within 7 days. When the City finds the cause of an excessive water/sewer bill is the result of a leak in the customers plumbing system that (1) was of such a nature and at such a location to not have been detected with the customer's reasonable diligence, (2) did not discharge into the City's sanitary sewer system, (3) and certification is furnished by a person licensed by the State of North Carolina to perform such work or the homeowner, that such leaks were repaired. The leak adjustment amounts to the average water/sewer bill for the previous six months of usage. The meter reading must be rechecked so that the City can confirm that the rate of usage has truly returned to normal. City policy is that only one adjustment for leak(s) will be given within twelve (12) months unless additional adjustments are approved by the City Manager. Therefore, the City recommends that the customer not request adjustment(s) for nominal, small leak(s).

#### **2. SWIMMING POOLS:**

Customers who contact the Customer Service Office prior to filling swimming pools with a capacity of 10,000 gallons or greater may request a one time sewer adjustment for the initial filling of the pool. City personnel shall obtain a water meter reading prior to commencement of filling the pool and again upon completion. If a pool is drained to prevent cracking or to affect repairs, no adjustment will be granted. If the pool is being "topped off" due to dissipation or splashing an adjustment will not be considered.

## **PART SIX- SERVICE OPTIONS**

### **I. OPTIONS IN BILLING PAYMENTS**

To better serve the needs of customers, the City offers one option to bill payments. They are described below. To begin any of this options, please call a Customer Service representative

#### *A. BANK DRAFT PLAN*

1. Bank drafts offer customers the option of having their bank accounts drafted. This relieves the customer from having the possibility of lost or late payments and saves a trip to City Hall or the cost of an envelope and stamp.
2. Customers account will be drafted on the due date (20th day from the billing date). If the due date falls on a weekend or holiday, the draft will occur on the next business day. This will allow the customer time to verify or question their bill and to maximize interest on their money.
3. The customer must apply with the City to establish a bank draft plan. Voided checks or deposit tickets or copies thereof may be required.
4. Only good credit customers will be eligible for this program.
5. Any draft returned by the bank because of insufficient funds or a closed account will be treated as a returned check, and the customer will be released from the bank draft program.
6. If an account, which has an average monthly bill in excess of \$5,000, is more than 10 days late on any occasion, the account will be **required** to enroll in the City's bank draft program in order to continue receiving service.

#### *B. DROP BOX FOR PAYING AFTER HOURS*

For customer convenience, a drop box is located outside at the main entrance to City Hall Payments put in the box after 5:00 p.m. will be considered next day payments.

### **II. GATEKEEPER PROGRAM**

1. The Gatekeeper Program was created to assist elderly citizens who need help but who are sometimes unable to help themselves. There are many who are healthy, active people involved in the community,

but there are others who are not as fortunate. They live alone and may have little communication with others. If they become sick or unable to care for themselves, they can easily go unnoticed and unattended,

2. This program raises awareness among employees, who in the normal process of doing their jobs, come in contact with the elderly. The meter readers have been trained to watch for danger signs in the homes of elderly customers, and they know what local agency to contact should the need arise. If the customer knows of someone who might benefit from this program, please contact the City.

### **III. DIFFICULTY IN PAYING UTILITY BILLS**

There are a number of organizations within Rockingham County which assist persons who are having difficulty in paying their bills: Such as:

Rockingham County Dept. of Social Services	342-1394
Salvation Army	627-4177

We encourage each customer to seek assistance with paying his or her utility bills immediately before prior to the due date and resulting disconnection.

### **IV. EXTENSIONS OF TIME FOR PAYMENT OF BILLS**

1. *Customer Requests:* All requests must be made by the person(s) (or their authorized, legal representative (must be designated in writing)) in whose name the account is opened.
2. The customer requesting the extension must come into the Customer Service Office and request the extension prior to the scheduled cutoff date.
3. Maximum extension will be not more than two (2) calendar weeks from the cut off date.
4. *Valid Reason:* The customer will be required to give a valid reason as to why the extension is needed.
5. Agreement if payment is not made by the specified time, service will be disconnected without further notice.
6. *Approval of Extension:* An extension is a privilege and may be granted based on customer need and circumstances. An extension will not be guaranteed and may be denied for excessive abuse. Excessive abuse is defined as more than two (2) extensions within a running twelve (12)



month period. Further, these two (2) extensions shall have a minimum of three (3) full months between each.

7. No customer shall be granted an extension until he/she or they have established six (6) consecutive months of billing history and none of these are in arrears.

## **PART SEVEN - RETURNED CHECKS**

1. The City will accept ***ONLY*** cash, certified check or money order from any customer having two returned checks within any twelve consecutive months from date of receipt.
2. Upon receipt of the first returned check, the customer will be informed of and given a copy of the written policy.
3. Upon receipt of the second returned check, the customer will be advised that all bills must be paid in cash and will be given another copy of the written policy.
4. Cash payments, certified checks or money orders only will be accepted for the twelve consecutive months from date of redemption of second returned check.
5. After the twelve consecutive month period ends, if another returned check is received, all future bills must be paid in cash,
6. No returned check will be held and is not subject to extension.
7. Notice to the customer of a returned check will be made by letter sent by mail.
8. As allowed by the State of North Carolina, a charge is added to the customer's bill because of each returned check as set forth in the Schedule of Fees and Charges. The customer's account will be charged for returned checks and will be subject to regular collection policies for delinquent accounts.

## **PART EIGHT - DISCONTINUING SERVICE**

### **I. TRANSFER OF SERVICE**

1. Residential customers may transfer service from one location to another as long as any current bills are not past due. The remaining amount owed and any fees will be transferred to the new account.

2. If the customer has. An account that is past due, he/she or they shall be required to pay that amount before the account can be transferred. Previous deposits will be applied to any amount past due, and a new deposit shall be required to set up the new account.

## **II. CLOSING A UTILITY ACCOUNT**

After an account has been closed. By either customer request or the City, all funds (including deposits, refunds, load management, and overcharge credits) will be used against amounts owed the City on the closed account. Remaining funds will then be used against any amounts owed on any other accounts the customer may have with the City. When those accounts have been cleared, a check for the remaining money will be issued to the customer for any net credit.

## **III. FORCED CLOSING OF A UTILITY ACCOUNT**

1. One month after termination of utility service, the account will be closed. All fees and credits are then added to the balance and a “final” bill will be issued to the customer. Any balance owed to the City will remain in active suspense until the balance is paid.
2. All legal means of collection for an account in arrears will be taken whether the account is in “closed” status or not.

## **IV. TERMINATION OF SERVICE**

1. *Requesting Discontinuance of Service:* Any customer requesting discontinuance of service will inform the City’s employee of the location, date service is to be disconnected and the forwarding mailing address for the final bill. Such request shall be made in writing, in person, to the City by the customer.
2. *Disconnection Scheduling:* Disconnection from the City’s utility system will be performed upon 24 business hours notice.
3. *Final Bill:* A customer’s final bill will be mailed in a timely manner to encourage collection and customer understanding.

## **V. CUSTOMER’S RIGHTS PRIOR TO DISCONTINUANCE OF SERVICE**

1. *Reasonable opportunity:* The City will discontinue utility service to customers for non-payment only after giving the customer a reasonable opportunity to question the accuracy of the bill. Reasonable opportunity is defined as the period of time from the issuance of the bill until the date of potential disconnection.

2. *Disputed Bill:* If a customer disputes the accuracy of his/her bill, he/she has the right to a hearing at which he/she may be represented in person or by another person of his/her choosing who may present orally or in writing, his/her complaint and contentions.
3. *Exceptions:* Under special circumstances, the municipality may choose not to interrupt service during extreme weather or when the meter serves an elderly or disabled person about whom the City has prior written knowledge.
4. *No disconnection:* Disconnection for non-payment will not be made after 4:00, the day prior to a holiday or a weekend.
5. *Hearing:* The City will discontinue utility service for non-payment of bill only after notice has been given and the customer has had the opportunity to be heard on disputed bills, any customer desiring a hearing may contact the Customer Service Representative at the Municipal Building to arrange for a hearing with the Director of Finance and Personnel. Hearings may be scheduled between 9:00 a.m. and 4:00 p.m., Monday through Friday. This person has the authority to settle the issue and reconnect any disconnected account while the matter is investigated.

The customer may be represented in person and/or by counsel or other person of his/her choosing at this hearing. The complaint may be presented orally or in writing.

The customer will be notified; in a timely manner of the results of any investigation regarding a hearing and of any resulting determination regarding adjustment or cut off. If the customer is not satisfied with the determination made by the hearing officer, he/she shall have five (5) days from receipt of a copy of the determination within which to appeal to the City Manager for a review of the findings and determination made by the hearing officer.

The City Manager shall review any unfavorable decision of the Director of Finance and Personnel if the customer so indicates if the City Manager deems it appropriate, he may set aside the decision of the Director of Finance and Personnel and issue a new decision.

All grievances must be heard and addressed by the hearing officer before appeal to the City Manager.

## **VI. CUSTOMER'S RIGHTS REGARDING DISCONNECTION**

1. If a customer disputes the accuracy of a bill, that customer has a right to a hearing as detailed above.

2. Customers are entitled to a second notice for an overdue utility bill. This notice may come in the form of a telephone call, a written notice or personal contact and will be given 10 calendar days prior to cut off. Unless extremely unusual circumstances exist, the notice will be included on the back of all utility bills mailed and no further notice will be provided.

## VII. INVOLUNTARY DISCONTINUANCE OF SERVICE

1. All bills are due and payable when rendered. However, each customer has twenty days from the billing date to remit payment in full without penalty. If any balance is remaining after the twenty days from the billing date, he/she or they shall incur a late **fee** \$10.00. The customers shall have ten additional days to remit payment or have services involuntarily terminated for non-payment. If an account, which has an average monthly bill in excess of \$5,000, is more than 10 days late on any occasion, the account will be **required** to enroll in the City's bank draft program in order to continue receiving service.
2. In the event that services are terminated for non-payment, services will not be reinstated until all of the following has been accomplished.
  - a. **Delinquent payment penalty** as set forth in the Schedule of Fees and Charges is paid.
  - b. All outstanding bills owed to the City (both current and arrears) are paid in full.
  - c. All money paid to the City shall be in the form of cash, money order, or certified check, ***Personal checks will not be accepted as payment for involuntary terminations!***
  - d. Customer has placed any additional deposits as required by this policy.
3. The City reserves the right to discontinue utility service to a customer at any time without notice, upon the occurrence of any one or more of the following events:
  - a. Whenever reasonable grounds exist to believe that the customer is receiving electricity or water or sewer treatment service without paying therefore or that the city's meter, wires, pipes, valves or other apparatus have in any manner been tampered with including bypassing the meter or altering its function.
  - b. Whenever the condition of the customer's premises does not meet the minimum housing standards of the city.

- c. Whenever the customer has denied an authorized city representative access to the city's meter, wiring or other apparatus installed on the customer's premises at all reasonable hours. Locked gates, parking cars over meters, etc., are violations of this policy.
  - d. Whenever it is necessary to prevent fraud upon the city.
  - e. Whenever, after reasonable notification and warnings by the city of an inability to read its meter(s) because of vicious dogs, shrubs or other obstacles, the customer fails to correct the situation.
  - f. Whenever one of the customer's checks given in payment of a bill is dishonored.
  - g. Whenever a customer fails to pay a bill for utility service within the time required by this policy.
  - h. Whenever a customer fails to make a required deposit guaranteeing payment of charges for electric, water and sewer service or to increase his deposit as required by this policy.
  - i. Whenever a customer refuses legitimate access to his premises, or damage to or loss of property of the city on a customer's premise is suffered by the city as a result of the customer's actions.
  - j. Use of utilities for unlawful reasons.
  - k. Discovery of a condition which is determined to be hazardous or unsafe
4. The notice for termination, included on the back of each utility bill provides a clear explanation of the reasons for the termination, a statement that cutoff is imminent and the date it will occur, a statement advising the customer of the availability of an administrative hearing and a right to contest the bill and the termination, and the address, phone number, and office hours of the person or persons to contact regarding the payment the hearing and the dispute.
5. Federal laws regarding bankruptcy require that the City not alter, refuse or disconnect service based solely on the basis of the beginning of bankruptcy proceedings or on the customer's failure to pay for pro-bankruptcy service, when a petition for bankruptcy has been filed. However, the City may terminate a bankrupt debtor's service if it is not provided "adequate assurance" of payment for future services within 20 days after the date of filing for bankruptcy. "Adequate assurance is defined

as two (2) times the average monthly billing for the past twelve consecutive months”. It must be paid in cash and is non-refundable for 36 consecutive months regardless of credit standing. If the debtor gives adequate assurance of future payment for services, the City may not terminate the debtor’s utility service for pro debts.

6. The City will take extra measures to insure that disabled, elderly or seriously ill customers receive their bills, have them explained to them, and are notified of any problems with payment.
7. **Partial payments** are accepted on an account. A partial payment does not waive an involuntary discontinuance of service. A partial payment is first applied to water and then to sewer.

## **VIII. DISCONNECTION DURING EXTREME WEATHER**

The City may limit its right to disconnect service for non-payment of any bill when the safety and well being of a customer may be at stake. For that reason, disconnection for non-payment may not be conducted on any extremely cold winter day or extremely hot summer day.

The definition of an extremely cold day would be a day in which the temperature is expected to remain below 32 degrees Fahrenheit all day long. The definition of an extremely hot day would be a day in which the temperature is expected to remain above 95 degrees Fahrenheit all day long.

If a customer’s bill remains unpaid on the next business day, the disconnection for non will not preclude the City from disconnection at a future date and does not change the customer’s liability for payment of all bills, fees, and penalties.

The customer is encouraged to contact the City in advance of disconnection to make payment arrangements.

## **IX. RECONNECTION**

When it becomes necessary for the City to discontinue services, service will be restored after payment of (1) all bills due (current as well as past due) the City including additional fees and charges required by this policy (2) any deposit as required and (3) any material and labor cost incurred by the City, according to the current Schedule of Fees and Charges (4) disconnection. **Delinquent payment penalties** as set forth in Schedule of Fees and Charges. Payment must be made in cash, certified check or money order. Personal checks are not acceptable!

Reconnections for after hour's service will be made under the following guidelines.

1. No more than two time periods will be made available for after hours reconnect service. These time periods to be determined by the Director of Finance and Personnel to allow for scheduling of personnel, however, in no case will after-hours scheduling occur later than 9:00 p.m. Monday through Friday and 3:00 p.m. Saturday, Sunday, and scheduled holidays.
2. Customers desiring after connections shall be required to meet City personnel at the Police Department at the scheduled time to pay the amounts indicated above.
3. Finance Department personnel will provide the customer with a receipt for money received and secure the money in a lock box in the Police Department. At no time will City personnel leave the Police Department with money nor will they accept money at any place other than the Police Department.

#### **PART NINE- METERING GUIDELINES**

1. The City's meters will be read by City employees, according to the City's schedule. Reading dates will vary slightly from month to month due to weekends, holidays, weather conditions, and other factors, Monthly billing periods will be assumed to be 30 days, but may range from 28 to 32 days.
2. The City's meter readers use modern meter reading equipment and techniques if meter reading corrections are necessary, the City will promptly make them and a new bill will be rendered. A credit memo to a customer from a meter reading error will be posted to the customer's account.

#### **PART TEN - METER TAMPERING**

1. Tampering with a meter or bypassing a meter is the same as stealing. The aggressive enforcement often policy is required by the large majority of good paying customers who would be financially burdened with paying for the stolen services. When it is determined that tampering has occurred. The City shall at its option, will call for the prosecution of cases of meters tampering, water theft and fraud to the fullest extent of the law. Or immediately lock or remove the meter until the customer has paid a deposit equal to twice the largest water bill in the last 12 billing cycles at that location. Or lock or remove the meter and discontinue service to that utility customer.

2. A service charge representing the City's cost for the investigation and processing of a meter tampering case will be billed to the customer who benefited from the tampering.
3. Any customer may contest these additional service charges by requesting a hearing. A hearing will be scheduled at any time between the hours of 9:00 a.m. and 4:00 p. m. on Monday through Friday except on holidays.

Tampering with meters is prohibited by North Carolina General Statutes 14-159.1 and North Carolina General Statutes 14-151.1: "It shall be unlawful for any unauthorized person to alter, tamper with or bypass a meter which has been installed for the purpose of measuring the use of electricity, gas or water or knowingly to use electricity, gas or water passing through any such tampering meter or use electricity, gas or water bypassing a meter provided by an electric, gas or water supplier for the purpose of measuring and registering the quantity of electricity, gas or water consumed".

Any meter or service entrance facility found to have been altered, tampered with, or bypassed in a manner that would cause such meter to inaccurately measure and register the electricity, gas or water consumed or which would cause the electricity, gas or water to be diverted from the recording apparatus of the meter shall be the prima facie evidence of intent to violate and of the violation of this section by the person in whose name such meter is installed, or the person or persons so using or receiving the benefits of such unmetered, unregistered or diverted electricity, gas or water. It is unlawful for any unauthorized person to alter, bypass, interfere with, or cut off any load management device, equipment or system which has been installed by the electricity supplier for the purpose of limiting the use of electricity at peak-load periods, provided, however if there has been a written request to remove the load management device, equipment or system to the electric supplier and the electric supplier has not removed the device within two working days, there shall be no violation of this section.

## **PART ELEVEN – DELINQUENT PAYMENT PENALTY AND INVOLUNTARY DISCONTINUANCE OF SERVICE**

A delinquent payment penalty of \$25.00 will be applied beginning January 1, 2016 for water and/or sewer delinquent balances that are not paid on or before the tenth (10<sup>th</sup>) day after the due date. The water and sewer service may be disconnected. Sewer disconnection includes but is not limited to plugging the sewer tap and if necessary, digging the sewer tap out of the ground and filling the line with cement. Reconnection following involuntary disconnection will include purchase and installation of a new sewer tap at the customer or property owner's expense. Disconnection of a sewer service could cause sewer backups with possible damage to the



property. In no event, would the City assume liability for any damage caused by a sewer disconnection due to a delinquent payment and involuntary discontinuation of service.

#### **PART TWELVE - DELINQUENT PAYMENT PENALTY AND INVOLUNTARY DISCONTINUANCE OF SERVICE (METERS PULLED OR LOCKED)**

A delinquent payment penalty of \$25.00 will be applied beginning January 1, 2016 for water and/or sewer delinquent balances that are not paid forty (40) days after the bill date. The water and sewer meter may be pulled or locked.

#### **PART THIRTEEN - LATE FEES**

All bills are due on the billing date. A late payment charge of \$10.00, will be assessed to all delinquent accounts on the twentieth (20<sup>th</sup>) day after the billing date.