

Utility Billing Policy & Procedures

Objective: To bill for utility service accurately and promptly, and to take timely and reasonable actions to collect past due amounts.

Scope: All utility customers are billed by the City of Hickory. A utility is defined as water service, sewer service, and/or sanitation services.

A. Utility Billing Set Up

1. **Initial Contact.** Upon receiving a request for new utility service from an industry or from a residential customer, the Public Utilities Department is responsible for determining meter size and for placing the meter. The Billing and Collections Division is responsible for having the customer complete the application, collect the appropriate deposit amount, and complete set up of the customer account.
2. **Application.** A completed application for service must be received and reviewed for completeness by the Billing Coordinator prior to installation of new service or releasing responsibility of prior customer if residence is sold, transferred, or leased to a new tenant. An application is reproduced in Appendix 1.
Any customer who is not the property owner must provide the above information plus a current photo ID, and a lease agreement (which includes the service address and the term of the agreement) signed and dated by the tenant and the landlord.
3. **Customer Deposit.** The purpose of a customer deposit is to try to ensure that all utility charges are collected, which helps keep rates from unduly increasing for those customers who do pay their bills.
 - i. Any person requesting utility service who has previously had an unpaid bill charged off by the City will be required to repay this amount, plus pay a deposit.
 - ii. Any other person requesting utility service will be required to pay an initial deposit based on the requested services.
 - iii. The City has the right to apply the customer deposit to unpaid utility charges after an account is more than 60 days past due. If all or any portion of a customer deposit is applied to past due charges, and the customer continues to receive utility services, the City may require the customer to replenish deposit amounts at the discretion of the Finance Officer.
4. **Refund of Deposit.** The City reserves the right to retain deposits indefinitely to assure payment of utility charges. No interest will be paid upon deposited amounts. However, the City may elect to refund deposits in the following situations provided the account is at a zero balance:
 - i. After 60 consecutive months of payments received on time and without instances of returned payments of any type; or

- ii. Upon customer request for termination of service and City determination that either the residence or business will remain vacant or another responsible person has applied for service; or
- iii. Other circumstances satisfactory to the Finance Officer that all future utility bills will be paid in their entirety and in a timely manner.

The City retains the option of effecting refunds in cash or applying to outstanding or future utility charges. No interest will be credited to any deposits. No refunds will be made for amounts less than \$1.00.

- 5. **Transfer or Disconnection of Service.** A customer will remain responsible for any utility charges until a properly completed Application for Termination or Transfer of Service is accepted by the Customer Service Representative. A copy of this form is reproduced in Appendix 2. A Public Utilities Department staff member may visit a location where service has been terminated without a new customer assuming responsibility to verify that the location is and remains vacant. *The property owner of record is responsible for any utility consumption that occurs on an inactive account.*

B. **Utility Billing Procedures**

1. **Billing.**

- a. Bills shall be prepared monthly for each billing cycle.
- b. Bills are due 20 days from the billing date. Payment may be made by check, money order, bank ACH draft, in cash at the Collections counter, or by any other means offered by the City.
- c. All bills not paid within 30 days are subject to cutoff. If payment is not received by the 30th day at 5 pm, a late fee will be added to the customer's account, and the account is subject to disconnection.
- d. If a bill is returned to the City of Hickory by the post office as undeliverable, the customer service representative shall make all reasonable efforts to obtain a forwarding address and correct the address in the Utility records. In the event that the bill becomes delinquent, the customer service representative shall follow the collection efforts below.
- e. It is the customer's responsibility to contact the City of Hickory in the event that they do not receive a bill within 45 to 60 days of initiating service, or within 35 days of their previous bill.
- f. Payments will be applied to customer accounts in the following order: fees and miscellaneous charges, sanitation charges, sewer charges, water charges.

2. Returned payments.

- a. All checks returned for uncollected or insufficient funds will be presented to the customer's bank twice before contacting the customer for replacement.
- b. Bank drafts and other payment types will only be presented once, and if returned, the customer will be contacted immediately. The customer will also be removed from the bank draft service.
- c. Customers will be contacted by telephone first, if possible. The administrative assistant will also send a letter notifying the customer of the event and requesting replacement funds or alternative payment arrangements.
- d. Customers presenting checks and drafts which are not honored by their banks will be assessed a charge to reimburse the City staff administrative time in accordance with the fee schedule in effect at that time. Any such fees will be added to the account and must be paid with other past due charges in order to continue Utility service.
- e. Customers who do not make good any returned checks or bank drafts and applicable fees will be considered to have not made any payment, and will be subject to procedures for the collection of past due Utility charges.

3. Collection of Past Due Utility Charges.

- a. *Accounts 30 days past due.* A cut off notice will appear on your bill if the account is 30 days past due. No second notices will be given. If payment is not received by 5 pm the day before the cutoff date noted on the bill, a late fee in accordance with the fee schedule in effect at that time will be added to the customer's account. The account will then be disconnected.
- b. *Accounts over 90 days.* If payment is not received within 90 days, the City may take one or more of the following actions, based upon the judgment of the Finance Officer as to the most optimum method of securing payment:
 1. The billing coordinator may forward the name, address, and balance due to the City's attorney who will prepare a collection letter explaining the legal consequences of non-payment.
 2. The terms of the nonpayment may be communicated to any or all of the nationally recognized credit reporting agencies.
 3. Customer may be denied access to Utility services.
 4. If a sewer-only account is cut-off, Public Utilities staff will leave a door hanger at the service address noting the date of disconnection, which must be at least one business day after placement of the notice. Public Utilities staff will use spray paint to mark the service connection location in the right-of-way for the dig-up crew. If the customer wishes to reinstate service, the current tap fee must be paid for replacement of the sewer tap in addition to payment of all past charges.

5. Remaining balances on terminated accounts may be transferred to a customer's active utility account for collection of charges due.

4. Extended Payment Option. If a customer cannot pay the entire amount of past due charges at one time, the Finance and Collections Manager may arrange with the customer to make partial payments over a specified period of time based on account standing. If a customer does not honor the extended payment schedule, the City may disconnect Utility service or take any other legal action to collect past due charges.

C. Consideration of Credits and Refunds

1. Refunds.

No refunds less than \$1.00 will be made on a customer's account.

2. Credits.

a. Filling Swimming Pools

Credit may be extended for one filling of a swimming pool per calendar year.

Full credit may be given for pools that have their meters properly checked before and after the pool is filled. Consumption must be 500 cubic feet or more Above Normal Consumption to qualify for a pool adjustment. *(Above normal consumption is determined by subtracting the high water consumption from the billing period when the pool was filled, from an established average based on previous billing periods).*

b. Maintenance Problems

The City of Hickory may allow credit for Utility charges resulting from leaks on the customer's side of the meter.

1. Credit may be extended to the customer's account only once in a 12 month period
2. The customer must provide to the City of Hickory a bill for repairing the leak(s). This must be accompanied by a statement confirming that a leak (or multiple leaks) had been repaired, and a description describing where the leak(s) occurred.
3. The City of Hickory does not repair leaks on the customer's side of the water meter.
4. No credits or adjustments of \$5.00 or less will be given unless the cause for the credit or adjustment is an error by the City of Hickory.

c. Contractor Adjustments.

Sewer and solid waste fees will be adjusted from a licensed contractor account while a building is under construction. The contractor will only be required to pay for the base water and consumption charges. This credit will be terminated after six months, or when a Certificate of Occupancy is issued, whichever comes first.

Appendix 1 – Application for Service – Water, Sewer, and Solid Waste Fee Services

Property and Applicant Information:

1) Full name, mailing address, home telephone and business telephone numbers of responsible party receiving service (if married, provide name of spouse):

Name: _____

If business, name of contact: _____

If married, name of spouse: _____

Billing address: _____

City _____ State _____ Zip _____

Home phone: _____ Business phone: _____

2) Street address of property receiving service:

Street: _____ City: _____

Customer Billing Information:

PLEASE NOTE:

- A. Utility Charges are the legal responsibility of the above party. A customer will remain responsible for any utility charges until a properly completed Application for Termination or Transfer of Service is accepted by a City of Hickory Collections Customer Service Representative.
- B. In addition to legal action against the responsible party, failure to pay such charges when due may result in disconnection of service.
- C. Original bills for Utility service will be mailed to the responsible party, at the address specified on this form.

Customer's Approval:

The undersigned certifies that the above billing contact information is correct, he/she has read and understands paragraphs A, B and C under the section captioned "Customer Billing Information" and he/she has received the new customer packet of information detailing our Policy & Procedures.

Print Name: _____

Signature: _____ Date: _____

For City Use Only:

Customer ID# _____ **Location ID#** _____

Employees Initials _____ **Date Received** _____

Appendix 2 – Application for Transfer or Termination of Service

Customer Name: _____

Service Address: _____

Home Phone # _____ Daytime Phone # _____

Account # _____ - _____

I hereby wish to:

____ Terminate service (Water, Sewer, & Solid Waste Fee Services)

Date Utility Service to be discontinued: _____

- Monday – Friday
- The City provides next day service–same day services are not available
- Must be a future date-terminations will not be backdated

Address to mail final bill and/or deposit

refund as applicable: _____

Note: Your Utility deposit will be applied against your final bill and you will receive a refund or bill for the difference.

____ Transfer service to another location (Water, Sewer, & Solid Waste Fee Services)

Date OLD service to be discontinued: _____

- Monday – Friday
- The City provides next day service-same day services are not available
- Termination must be a future date-terminations will not be backdated

NEW Utility service location: _____

Date NEW Utility service effective: _____

- Monday – Friday
- The City provides next day service-same day services are not available

New billing address: _____

I hereby certify that the above information is true and accurate.

Signature

Date

Printed Name

COLLECTIONS FAX (828) 431-4593

Employees Initials _____

Date Received _____