

City of Tuscola

Policies for Utility Billing Accounts

Applying for water service

When someone calls in to set up a new service, the customer's information can be taken over the phone, but before the service can be connected, the customer must sign the Application for Water Service, pay the deposit (if required) and present a driver's license or other form of identification. If the person is indebted to the City for past services, all amounts owed to the City must be paid in full prior to allowing a new service to be set up. (See "Collection" section below for policies on old delinquent balances)

Deposits

All renters must pay a \$100 deposit before water can be turned on. The deposit also applies to persons who own a mobile home, but rent the lot on which it sits.

Additionally, persons owning their home, but who have had City Utility accounts in the past which were not in good standing, (one or more service disconnections for non-payment and 3 or more payment deferral agreements in 24 months) must pay a \$100 deposit.

Persons who had water disconnected in the past, and failed to pay their final billing for more than 3 months or whose accounts were written-off by the City, must pay a \$200 deposit

All commercial or industrial accounts must pay two month's estimated billing as a deposit before water can be turned on. The estimation will be made by the City of Tuscola based on prior history at that location, by that customer, or by comparable customers or locations. Where no comparison data is available, the City will make a best estimate, to set the deposit amount. In no case will the commercial deposit be less than \$100.

The deposit should be paid in full prior to connecting service; however, if the customer cannot pay the full amount, the deposit may be paid in two installments. At least 50% must be paid prior to connecting service with the remaining amount due within 30 days. Any remaining amount of deposit, not paid within 30 days, will subject the account to disconnection of service.

Interest will not be paid on deposited funds.

Deposit Returns

Deposits are returned after the customer is in good standing (no service disconnections for non-payment and no more than 3 payment deferral agreements) for 24 consecutive months. Deposit will be applied to the customer's account.

Due Date and Shutoff Date

Utility meters will be read around the 15th of each month. The meter readings may be estimated due to inclement weather or unusual circumstances. Bills will be mailed around the 21st of the month and are due on the 10th of the following month. Any amounts on account not paid by the 10th of the month due, will be charged a 10% penalty. If the account has an amount past due over \$10 after the 19th of the month due, the service will be disconnected on the 20th of the month due or as soon as operationally feasible.

Accounts are considered disconnected when the work order is issued to the City crew, regardless of whether or not the meter is actually turned off prior to payment. If water is disconnected, a \$25 fee will be charged. The customer will also be required to pay a \$100 deposit if they do not already have one on file. All amounts past due, including the reconnect fee and deposit (if required) must be paid prior to reconnection.

Payment Agreements

When a customer is unable to pay the entire bill before disconnection, we can make a payment agreement to defer ½ of the total amount due. The customer must **come in** before the water is disconnected and pay ½ of the total bill and sign the payment deferral form, then the customer must pay the other ½ of the bill before the end of the month in which the agreement is made. Customers are allowed to make payment deferral agreements 3 times per 12 month period. If the agreed upon payment is not received by the day after the “to be paid by” date, service will be disconnected. Payment arrangements on past due amounts **cannot** be made over the phone or by mail or drop box service. If a customer has a hardship and cannot pay even ½ of the bill, we will refer them to a charitable organization to apply for assistance.

NSF Checks

When a customer’s check is returned from the bank for Insufficient Funds (NSF), we will attempt to contact the customer to let them know that they must come in immediately to pay cash for the NSF check and a \$25 NSF Fee. If the customer cannot be reached by phone, we will send a letter to the address on file and inform them that they must be in to pay cash for the NSF check and fee within 5 days of the date of the letter. If the customer does not respond to the call or letter, or responds, but does not pay, the service will be immediately disconnected. At the time of disconnection, a \$25 fee for reconnection will be added to the account. If the customer does not already have a deposit on file, the \$100 deposit will be required prior to reconnection. In order to reconnect the service, all fees and deposit, past due amounts, and the NSF check must be paid in full. **In the event that the check is returned after the account would have normally been disconnected (if the NSF check had not been written), no notification to the customer is required prior to disconnection of service.**

Leak Adjustments

When a customer has had a concealed leak (leak in a pipe or incoming line) (leaking toilets do not qualify), the City will adjust the bill to “share” the cost of the leak with the customer. When calculating a leak adjustment, we will subtract the customer’s average bill from the leak bill, ½ of the remaining amount will be the total deduction to the customer’s original leak bill amount. The City will only adjust one billing per year for qualified leaks.

Name Change

The City will change the customer’s name on the account after seeing a document allowing a legal name change. For example, if the customer gets married or divorced or legally changes his/her name, the City will simply view a copy of the marriage license, certificate, divorce decree, or other document before making the change.

Garbage

The City will automatically bill all Tuscola residents for garbage service unless they are in an apartment where the landlord provides a dumpster for trash. Residents can fill out a solid waste disposal exemption application and state the reason why they want to be exempt from the required garbage service. If approved, the garbage service would be taken off of their account.

Winter Disconnects

When a resident goes away for the winter they may request to have water service disconnected while they are away. If the water is completely shut off and there is no usage on the meter, there will be no billing. There is no reconnect fee for this service.

The resident may want to leave the water on and pay only the minimum bill each month, but may have only the garbage charge taken off while they are away.

Landlord Agreements

If a property owner wants to have water service continued in his/her name upon the termination of a tenant's account, the owner can fill out a landlord agreement form. Upon the City's acceptance of the landlord agreement form, the City will automatically set up service in the owner's name, for the addresses listed on the form, immediately after the tenant's account is terminated. The property owner is then responsible for the bills that occur between tenants.

Terminations

The City should be notified to disconnect services when a customer moves. The City will then do a final reading at the meter and create a final bill for the portion of the month that the customer occupied the location. If there is no deposit on file, the termination billing will be mailed to the customer's new address for payment. If we do have a deposit on file, the final account balance will be taken out of the deposit. Any amounts remaining on the deposit or credit balances on the account will be refunded by the City as soon as operationally feasible. The customer may also request that we transfer final account balances and deposits to their new Tuscola account.

Collections

Collection procedures begin at the end of the water disconnect procedures or when a voluntarily terminated customer fails to pay the final billing.

Our system will continue billing the terminated customer monthly until the bill is paid. The first month that the account is past due, a letter will be mailed reminding the customer that the bill needs to be paid. The next month, a "final notice" letter will be mailed to the customer.

Thirty days from the date of the final notice letter, further collection action will be taken.

Following are examples of some acceptable collection actions:

- Filing delinquent amounts with bankruptcy court, estate proceedings, collection agencies, or credit bureaus.
- Filing a lien at the County Courthouse against the property.
- Transferring the account balance to the account of a new address, where the customer is staying, regardless of whose name the new water service is in.
- Refusing or reducing payments owed by the City of Tuscola or its agencies or departments to the customer.
- Pursue collection in small claim's court.
- Other actions as deemed appropriate.

Should all collection measures be exhausted without the customer paying the account balance, the amounts will stay on file at the City Hall. When a customer attempts to re-establish a utility account, all old amounts must be paid with penalties and a \$200 deposit must be placed on file.