



Subject Utility Billing Rules and Procedures		Draft No. 2016-01
Adopted	Revised	Rescinded
Authorization		Date

A. Statement of Purpose

Section 15-116 of the City Code authorizes the City Manager to establish rules and regulations to “efficiently accomplish the billing and collection of payments” for the City’s utilities. The purpose of this policy is to provide those rules and procedures for the benefit of both the public and staff to allow for a transparent and fair process for all involved. Although these rules and procedures may cause difficulty for some customers, the staff of the City of Osawatomie will follow the written policy and maintain a professional behavior with customers during the connection, disconnection, billing, and payment collections of utility services.

B. Definitions

1. **Account Holder** - the person(s) who has applied for service, and whose name appears on the bill from the City of Osawatomie.
2. **Business** - applies to business enterprises.
3. **Electric Service** - refers to those accounts who receive electrical service; most accounts are monitored through a meter.
4. **Landlord** - refers to the owner of a rental property
5. **Restaurant** - An establishment whose primary purpose is for the sale, dispensing or service of food, refreshments, or beverages.
6. **Tenant** - One who possessed or occupies land or buildings by title, under a lease, or through payment of rent.
7. **Water Service** - refers to those accounts who receive water service - most accounts are monitored through a meter.

C. Rules & Procedures

1. Establishing an Account

When a customer requests utility services with the City of Osawatomie, they are agreeing to abide by the terms and conditions. Utilities shall be turned on only if the customer has no other outstanding utility accounts. The accounts must be paid in full prior to connection.

Requesting Utility Service

A request for utility service must be made at City Hall, or may be done through the City's website once that functionality is available. Customers will need to provide all of the applicable information:

- Name
- Service Address
- Mailing Address
- Phone Number
- Photo ID
- Social Security Number
- Signed lease agreement
- A signed Utility Agreement

In the event a new tenant is moving in from out of town, applications may be completed, notarized, and faxed to 913-755-4164.

Security Deposit

The City of Osawatomie requires a customer utility deposit for establishing water, sewer, and electric service at the time of application. The deposit shall be conditioned to hold the City free from loss occasioned by the customer's failure to pay any bills legally rendered against the customer for utility services provided to the premises.

The security deposit shall accrue simple interest at the annual rate set forth by the Kansas Corporation Commission. Such interest to be credited on the first day of January thereafter at the office of the City Clerk. A refunded security deposit will include interest accrued to the date of the refund. Deposits will be refunded after 24 months of continuous service or will be applied to the utility account upon the closeout of the account with any remaining balance will be refunded to the customer, whichever comes first.

The security deposit amounts are listed in the City's fee resolution. At the time of the publication of this policy, the amounts were as follows:

Residential	\$200.00
Senior Citizen Housing	\$75.00
Business	Approximate average monthly bill: \$300.00 minimum
Tavern	\$300.00
Restaurant	\$1,000.00
Landlord Deposit	\$200.00

2. Rates

Rates will be billed in accordance with those established by the most recent applicable fee resolution. A copy of the most recent fee resolution is available on the City's website or for review at City Hall.

3. Meter Charges

The City retains ownership of all water and electric meters. If the resident believes there is a problem with their meter, and after routine inspection, the customer can request the meter be tested by a third party service. If the customer requests this third-party testing, the following applies:

- If testing reveals a problem with the meter, the City will pay for the associated costs and make an adjustment in the bill, however,
- If testing reveals a correctly functioning meter, the resident is responsible for the associated costs of testing.

In the event of water leaks or faulty metering equipment the City Manager is authorized to make appropriate adjustments to customer bills. Refer to Water Leak Adjustment Policy.

4. Billing Cycle

The following table outlines the billing cycle and process, with definitions below.

Cycle	<u>Month A</u> <i>July</i>	<u>Month B</u> <i>August</i>	<u>Month C</u> <i>September</i>	<u>Month D</u> <i>October</i>
ACTIVITIES:	Usage Begins (17 th)	Usage Read (17 th) Bill Mailed (31 st)	Bill Received (1 st) Bill Due (15 th) Delinquent Date (20 th)	Termination Date (4 th) Disconnect Date (5 th or Later)

**Examples in italics*

Reading Date – The date the bill is read for usage, typically within a couple days before and after 17th of each month (Month B).

Billing Date – Bills will be mailed on the last working day of each month (Month B).

Due Date – Payment for utility services will be due on or before the 15th of every month. If the 15th falls on a weekend or holiday, bills will be due by the close of business the following business day (Month C).

Delinquent Date – Any bill not paid as of five (5) days after the due date will be considered delinquent (Month C). A delinquent notice will be mailed to the owner at this time.

Termination Date – Payment for delinquent services will be due on or before the 4th day of the month following the Delinquent Date (Month D). If the 4th falls on a weekend or holiday, bills will be due by the close of business the following business day (Month D).

Disconnect Date – The next business day following the Termination Date.

5. Delinquency Notice & Process

Late Payments. Any bill paid after the Due Date, but before the Delinquent Date, is considered late. A late penalty, as established by the fee resolution, will be applied to all such bills not paid by the Due Date.

Delinquent Payments. Bills not paid in full by the Delinquent Date will be mailed a notice to advise them their bill is overdue, and that if not paid within ten (10) days, will be subject to disconnection, additional fees, and the closing of the account. All bills not paid as of this date are deemed to have exercised their right to a hearing (see below) and are given until the Termination Date to pay the past-due amount.

A monthly interest/penalty rate will accrue on all past-due amounts over 30 days until the past-due amount is paid in its entirety. The interest/penalty rate will be set in the fee resolution.

Hearing and Automatic Extension. Section 15-120 of the City Code grants every customer receiving a delinquency notice the right to a hearing to request an extension on their bill. In lieu of this hearing, customers are automatically granted an extension from the delinquent date (5 days after the due date), to the Termination Date (as defined above) which in the shortest possible circumstance would be 10 days. In no manner does the automatic extension prohibit any individual from requesting a hearing as outlined in Section 15-120 of the City Code.

Termination. All delinquent bills not paid by the close of business on the Termination Date will be scheduled for disconnection and charged a termination fee.

Disconnection. All disconnections will occur on days where the City is open for business the following business day, in order for customers to be able to reconnect the following day, subject to the required payment. When disconnections are occurring, staff will be directed to disconnect services and not wait for account holders to go to City Hall to make payments. Reconnection will occur subject to the procedures below.

Disconnection will occur in two steps:

Partial Disconnection. On Disconnection Day or shortly thereafter, staff will partially disconnect the electric service and take a reading of the meter. At the time of disconnection, a notice will be left on the front door notifying the owner that unless the account, all associated fees, a new high-risk deposit, are paid in full, all other services will be disconnected in approximately five business days.

In some cases the City may elect to disconnect water service in lieu of electric service, depending on mitigating circumstances.

Complete Disconnection. Should the account not be paid in full within five business days of the initial disconnection, a complete disconnection will occur where all water, electric and refuse services will be disconnected by the City. At this time the City Building

Official should be notified by the Utility Billing Office that a complete disconnect has occurred.

Upon complete disconnection, staff will collect the final readings, close the account, liquidate the deposit, and any reconnection of services will be subject to all applicable fees and deposits for establishing a new account, including any high-risk deposit required as a result of the disconnection for non-payment.

Vacation of Premises. Approximately five days after the complete disconnection of utilities, City Building Official the property be posted as “Do Not Occupy” and the property must be vacated because of the lack of basic sanitary services.

6. Reconnection.

Payment must be received before 3:30 PM for same day reconnection to allow staff adequate time to finish current business and be able to reconnect service within the work day.

Reconnection from a Partial Disconnection. To be reconnected from a partial disconnection, the customer must pay the outstanding balance due (including subsequent balances due if past the Due Date), including the delinquency fee.

Reconnection from a Complete Disconnection. To be reconnected after a complete disconnection and/or a vacation, the customer must pay any outstanding balance from the now closed account and the account will be re-established with all applicable fees and deposits.

7. Payments

Types of Payments. Utility services may be paid by cash, check, credit card, money orders, or ACH Direct Payment at www.osawatomiaks.org. Bills may be paid in-person, by mail, or by using the city drop box located in the city parking lot next to the post office on 5th street. In person payments may be made at City Hall between 8:00 AM- 4:30 PM, Monday through Friday.

Mailing Address. If you choose to pay by mail, please include your bill stub for more accurate service. Checks may be mailed to: City of Osawatomie, PO Box 37, Osawatomie, KS 66064.

Credit Card Payment. Both online and in-person credit card payments are available to customers for payment. They are accompanied by a fee based on amount charged. Fee amounts are provided at the time of payment. A direct link for online payment may be found on the City’s website at www.osawatomiaks.org under the help tab.

Automatic Bank Payments. Customers may choose to have utility payments be directly withdrawn from their account. If payments are directly withdrawn, customer accounts will be charged on the 14th of every month for the full amount due.

Dropbox. The drop box may be used for payments of any kind, but any payments dropped after 3:30 pm will not be credited to that day’s business. It will only apply to the following day, meaning that all payment that must be in before the close of business to avoid penalties or fines, should be brought into City Hall by 4:30 pm and not placed in the drop box. Cash payments should not be left in the drop box as they may be separated from identifying

information and may sit in the box for several days depending on when the payment is deposited.

Insufficient Fund Payments. Payments made via check or auto payment that are returned for insufficient funds, will follow the process for the City's handling of such payments. In addition, any returned payment will be reflected in the billing system upon notification by the bank as a non-payment and all such due dates, deadlines and penalties will be enforced as if they payment was never received.

Insufficient Funds Payments which occur after the Termination Date is cause for immediate disconnection of services without warning.

8. Collection of Payments.

The City, at any time, may forward the debts of current or former customers that are over 60-days delinquent to a private collection contractor or the Kansas State Debt Setoff Program for collection.

9. Account Changes

In cases of which only one party on the account wishes to remove their name from the account, all parties will have to sign an account change request. There will be no partial deposits returned. The original deposit will remain on the account until closed.

If an account holder fails to notify the Utility Billing Clerk to discontinue service, the account holder will continue to be responsible for any and all charges incurred until such time the Utility Billing Clerk is notified of a request to terminate utility service.

Any transfer requests taken after 2:30 PM may not occur until the following business day. The lease agreement between the owner and the tenant does not represent an agreement for utility services between the City of Osawatomie and the tenant.

10. Account Transfers

Once request is made for an account to be disconnected or transferred to another customer's name, a final reading will be conducted on the date specified. Account transfer requests must be made at City Hall. The final bill will reflect usage to this point. Only an account holder may request a termination or transfer of service. A transfer fee will be required prior to the transfer date as established by the annual fee table.

In the case of a death of the account holder, immediate family members will be allowed to transfer the account into their name without a transfer fee or security deposit. Any person wishing to transfer the account will be required to present proof in the form of an obituary or death certificate.

Landlords will have the option to sign a landlord agreement giving them the option to automatically transfer utility services into their name when a tenant moves out. This can be done without requiring a separate deposit. If a landlord requests a service address to be physically disconnected, the landlord will be required to pay a reconnection fee as established by the fee resolution.

11. Equitable Application

There are also circumstances where apartment complexes, shared meters, or other logistical circumstances require deviation from these rules and procedures. In such cases, those exceptions will be required to be in a written agreement with the City of Osawatomie and signed by the City Manager to be exempt from any of these policies.

Except for the logistical reasons, all business and residential accounts will be required to comply with the rules and procedures regulations set forward in this policy. Under no circumstance will any customer be given preferential treatment or exception without prior approval by the City Manager **and** City Council, except that current active accounts with outstanding balances and payment plans will be honored under this agreement, until default occurs. Should default occur, all provisions of these procedures will be applicable and not further arrangements will be made.

D. Attachments

Appendix A: Application for Utility Service- Residential
Appendix B: Application for Utility Service- Business
Appendix C: Landlord Agreement
Appendix D: Service Transfer Request
Appendix E: Water Service Turn-On Release Agreement
Appendix F: Utility Account Change Request