

City of Evansville Utility
Account Policy and Procedure Manual



Adopted by the Municipal Services Committee 03/05/19

Purpose and Scope

The purpose of this manual is to provide staff and utility customers a general frame of reference on how billing, payments, agreements and disconnections should be conducted.

The scope of this manual is for utility account collection, protection and service. While some of these policies may be duplicated from or used by other departments within the City, this document is specific to utility accounts.

Segregation of Duties

Staff

- No person shall adjust a bill for any reason set forth in this policy, in Public Service Commission (PSC) regulations or any other policy or statute and collect payment of the same adjusted bill.
- If a staff member makes an adjustment to a bill due to an error or agreement, another staff member must take payment.

Request for Information

As allowed by the PSC's administrative rules, if another person, including a family member, requests a customer's information, the City shall follow Wisconsin Statute 196.137 concerning sharing municipal utility customer information. This statute defines customer information as "any information received from customers which serves to identify customers individually by usage or account status." Under this statute, a utility is prohibited from releasing customer information to any person except:

- Agents, vendors, partners, or affiliates of the municipal utility that are engaged to perform any services or functions for or on behalf of the City.
- In connection with an issue of municipal securities and to the extent the City determines release is necessary to comply with securities disclosure obligations to a lender, a purchaser, potential purchaser, investor, or potential investor, in municipal securities.
- In connection with the preparation of real estate closing documents, a title agent, insurer, lender, mortgage broker, or attorney providing legal services.
- In connection with a real estate transaction or appraisal of real property, a real estate broker or salesperson licensed under chapter 452 or an appraiser certified or licensed under chapter 458.
- In connection with the foreclosure of real property, a lender or prospective purchaser.

- Transmission and distribution utilities and operators within whose geographic service territory the customer is located.
- The commission or any person whom the commission authorizes by order or rule to receive the customer information.
- An owner of a rental dwelling unit to whom the City provides notice of past-due charges pursuant to s. 66.0809 (5).
- An owner of real property provided with municipal utility service or the owner's designated agent or representative.
- Any person who is otherwise authorized by law to receive the customer information.

When necessary the City may need to consult its legal advisor(s) or the PSC when determining if the requesting party meets one or more of these exclusions.

Application for Service

Owner Occupants

- An 'Application for Service' is required for water and/or electrical service to be provided.
- Customers are required to provide information (full name and date of birth) and identification (i.e. driver's license, passport, etc.) as identified in **PSC 133.0408 (2) (c)** for service to remain in their name.
- Applications submitted by closing companies in the owner/occupant's name may be sufficient.
- The City will ask for best contact information (i.e. cell phone or home phone) to contact the customer in case of emergency, service interruption or billing concerns.
- Failure to comply may result in disconnection after 30 days.

Rental Properties

- Service may remain in the landlord's name until the tenant completes the 'Application for Service' or remain in the landlords name if they choose per an arrangement with the tenant.
- Customers are required to provide information (full name and date of birth) and identification (i.e. driver's license, passport, etc.) as identified in **PSC 133.0408 (2) (c)** for service to remain in their name.
- The City will ask for best contact information (i.e. cell phone or home phone) to contact the customer in case of emergency, service interruption or billing.

The landlord or property owner has 14 days to notify the City of a change in tenant or customer. Failure to notify the City may result in back billing being the full responsibility of the property owner(s) until the following billing cycle.

Closing and Transferring Accounts

Practice

- The City closes all accounts with a final bill when a transfer is required. The purpose of the final bill is to show a clear point of transfer (date and use) allowing both parties clear and separate financial obligations.
- Unless the new account owner's information is already on the account to be transferred, a new 'Application for Service' form must be completed.
- When faced with an account owner that is unreachable, the City reserves the right to hold transferring the account until the City is satisfied that the listed account owner has abandoned the account so as not to violate Wis. Stat. 196.137.
- In cases of unreachable account owners, proof of the right to transfer or close the account may include, but is not limited to: lease agreements / deed transfer for the same service location, letter stating power of attorney, death certificate, will, trust, estate or more that shows the transfer of property and/or guardianship of the account owner.
- The City does not keep copies of these forms or copies of driver licenses, only the 'Application for Service'.

Fees

- There are no fees associated with transferring and closing of accounts unless processed by a third party (i.e. title companies). Third party transfer and closing fees are set by tariff (currently \$10 per transaction).

Payment Options

Payment Service Network (PSN)/Online payment

- A confirmation number or a confirmed payment from PSN or other on-line service, in the amount past due is considered a payment and stops collection/disconnection activity.
- Payments cancelled for non-sufficient funds (NSF) shall be subject to a NSF fee as permitted in Chapter 2-245 of the Municipal Code. No employee of the City shall create or assist in the creation of these on-line accounts for individual customers.

ACH Accounts

- Customer must complete a Direct Payment Form with bank routing and account numbers.
- A voided check shall be attached to the form to provide staff the necessary routing and account information.

- Customers may apply for Direct Payment on-line. Staff shall check for new applications in the middle of the month, prior to processing ACH transactions and end of the month, prior to billing.
- All applications shall be secured in a locked file cabinet.
- Payments cancelled for NSF shall be subject to a NSF fee as permitted in Chapter 2-245 of the Municipal Code.

Low Income/Emergency Assistance

- Assistance is available year round and applications can be submitted at any time by a residential utility customer. Residential customers have a minimum of 60 days in past due bills before they are disconnected. Notification process during this period provides the necessary reminders and time for an account owner to file for assistance.
- Confirmation of receiving low income or emergency assistance may be used to:
 - Restore power to a customer after it has been disconnected for non-payment.
 - Used as payment to prevent disconnection.
- The City will only accept confirmation via phone, email, mail or fax directly from the source of assistance.

Cash

- All cash denominations paid in \$20.00 or greater shall be checked with a counterfeit marker.

Checks

- All checks shall be stamped for "Deposit Only".
- The City will not cash checks for any nominal amount.
- No change shall be given for payment made by check.
- Any check over the amount of the bill due may be voided by the customer or person responsible for the check or the excess amount shall be applied as a credit to the account.
- Payments cancelled for NSF shall be subject to a NSF fee as permitted in Chapter 2-245 of the Municipal Code.

Non-Sufficient Fund (NSF) Process

- The transaction is reversed in cash receipting system and copy of returned transaction is given to staff for Bank Reconciliation.
- Staff documents the customer's account as having NSF.
- A letter is sent to the owner of the NSF transaction via certified mail.
- Customer has 10 business days to make good on the check and NSF fee.

- If not corrected within 10 days, information may be sent to the Police Department for an ordinance violation.
- The City shall refuse payment by check from individuals or to accounts when two NSF transactions occur within 12 months. Two NSF transactions are determined by account history and/or history of person responsible for the transaction becoming NSF.
- Refusal of check payment shall apply for 12 months.
- NSF fees must be paid in full in order to avoid disconnection.

Postdated Checks

- For convenience of the customer, the City may accept postdated checks if they are postdated prior to any late fee dates or shut off dates.
- Postdated checks cannot be used to avoid late fees, penalties or disconnection.

Credit or Debit Card

- The City shall check the back of credit cards for signatures and ask for identification if:
 - The card owner information does not match the account information.
 - The card signature line requests an identification check.
 - The signatures of the receipt and the back of the card do not match.
- If information does not match any of the above, the person shall instead pay by check, debit card if security pin number entry is available or cash.
- Any additional charges for service and use of a credit or debit payment system shall be charged to the customer at the time of the transaction.

Budget Plans

Budget Plans are used to allow customers a steady method of payment based on 12 months of data. Budget Plans are not a substitution of payment extensions or DPAs.

- Accounts must be made current with no past due amounts to be eligible for a budget plan.
- A Budget Agreement must be completed and signed by the account holder.
- In determining a budget plan the City will add the last 12 months of bills and divide by 11, rounding to the nearest increment of 5 to determine the monthly budget amount.

- The City will notify the customer if there is need for change via letter mailed to the billing address.
- The City requires that the customer returns an amended budget form agreeing to the changes.
- During review, and before recalculating changes to a budget plan, the City will total the last 12 months of utility charges, add past due amounts, then subtract 12 monthly payments at the current budget level. If the amount is equal or less (credit or debit to the account) than the monthly payment, no further changes are necessary.
- If the balance is greater than a monthly payment the City shall do one of the following: require a new budget plan that pays the excess balance in 12 months; if a credit exists provide a refund check in the excess balance to the customer and provide a new payment plan; or cancel the budget plan. The City will review budgets of 6 months or greater two (2) times a year ending every May and November.
- Customers and City staff must be aware that a late or delayed payment in a budget plan may give the appearance of a larger outstanding balance at the time of recalculation.
- Failure by the customer to pay timely may result in disqualification of a budget plan. Starting March 5, 2019 all new and renewed budget plans missing two (2) payments within 12 months will result in disqualification.
- Failure to pay the full amount as set in a budget plan shall constitute a missed payment in determining qualification.

Deferred Payment Agreements (DPA) for Owner/Customers

Deferred Payment Agreements (DPA) – An agreement consisting of two distinct components: (1) payment of reasonable amount of the outstanding bill; and (2) installments on the remaining outstanding balance. The terms set below have been found to be reasonable by the Municipal Services Committee (MSC) and where necessary, approved as part of the City’s tariff with the PSC.

Owner/Customer – When the utility customer also owns the dwelling affixed to the property or a mobile home lot.

Procedure

- First DPA: A minimum of 50% down of the total account balance plus 100% of any NSF and reconnection fees.
- DPA for the remaining balance to be paid within a 3 to 4 month period on the 25th of each month.
- DPAs shall be paid in full by August 25th of the current year.
- Current bills shall be paid in full with the DPA payments.

Default of DPA Procedure

- If the customer is disconnected due to default on a DPA, the City shall not amend the agreement and the customer is responsible to become current on the DPA.
- The default will be recorded on the customer's account.
- The DPA must be paid in full by August 25th of the current year or face assessment and/or collection processes.
- Once disconnected, a customer may be eligible to apply for another DPA.

Amending, Extending, or Altering a DPA

- Utility bill situations that City staff finds unusual, unforeseen, or not in the customer's control may be submitted for further review. The staff shall not grant an exception, but present the unique situation and remedy to the MSC on a case by case basis. Any exception made shall be approved by the MSC. Disconnection will be delayed until a decision is made by the MSC.
- The customer must sign a release form stating their name, account number, and the reason or circumstances for the appeal. This is a requirement so that the MSC can discuss the customer's information regarding the account in a public meeting and vote on the changes to the agreement.

Deferred Payment Agreements (DPA) for Renter/Customers

Deferred Payment Agreements – An agreement consisting of two distinct components: (1) payment of reasonable amount of the outstanding bill; and (2) installments on the remaining outstanding balance. The terms set below have been found to be reasonable by the MSC and where necessary, approved as part of the City's tariff with the PSC.

Renter/Customer – When the utility customer does not own the dwelling affixed to the property or a mobile home lot, and is renting or living at a property, but chooses to place the account in their name.

Disqualifications for DPA – In accordance with Act 274

- The residential tenant has greater than \$100.00 of account arrearages that are more than 90 days past due.
- The residential tenant has defaulted on a deferred payment agreement in the past 12 months.

- The residential tenant is responsible for account arrearages that were placed on any property owner's tax bill in the utility's service territory in the past 24 months.
- The residential tenant has a balance that accrued during the winter moratorium that is more than 80 days past due.

Procedure

- First DPA: A minimum of 50% down of the total account balance plus 100% of any NSF and reconnection fees
- DPA for the remaining balance to be paid within a 3 to 4 month period on the 25th of each month.
- DPAs shall be paid in full by August 25th of the current year.
- Current bills shall be paid in full with the DPA payments.

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- If the customer is disconnected due to default on a DPA, the City shall not amend the agreement and the customer is responsible to become current.
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- The customer must sign a release form stating their name, account number, and the reason or circumstances for the appeal. This is a requirement so that the MSC can discuss the customer's information regarding the account in a public meeting and vote on the changes to the agreement.

Payment Extensions

- Payment extensions are shorter term agreements meant to improve collection on accounts to avoid the collection process.
- Rules for accepting a DPA do not apply to a Payment Extension with the only exception being 50% down payment and 100% of all NSF and reconnection fees.
- Only one payment extension may be granted per calendar year to an individual person, excluding *Medical Necessity* considerations.
- Notes shall be placed on the account about payment arrangements the customer may wish to make during the disconnection moratorium.

Billing Adjustments/Credits

Billing Adjustment

- Staff have the authority to adjust bills to match meter readings and tariffs/rates only. If the meter reading shows a level of use, the bill matches that use and the account has the appropriate tariff applied, staff cannot alter the bill.

Billing Adjustment – Spiked Use

- Staff have the authority to adjust bills to match meter readings and tariffs/rates only.
- The City cannot credit back any electric or water use per the PSC.
- If there is a large spike in water use due to a leak, a credit towards the sewer bill may be granted by the MSC.
- Sewer credits are calculated based on a 6 month average prior to the leak. The leak must be corrected and the use showing a return to the average.
- Credit levels for the excess amount will be based on whether the water was diverted from the sanitary sewer system (100% credit) or flowed clean water through the sanitary system (75% credit).
- Only the variable charges can be credited.
- All sewer billing adjustments require a consent form to be completed by the customer so it may be approved in open session with the MSC.

Consent Form

- The customer must sign a consent form stating their name, account number, and the reason or circumstances for the appeal. This is a requirement so the MSC may discuss the customer's account in a public meeting, and vote on crediting the account.

Meter Dispute

- If there is a dispute on the electric or water meter's accuracy, the City will work within PSC guidelines and may submit the meter for testing to a 3rd party.

Disconnection Policy

Disconnection Process

- Residential and commercial customers must have a past due amount greater than \$40.00 to be disconnected.
- Residential customers are disconnected for bills 60 days past due.

- Commercial customers are disconnected for bills 30 days past due.
- Mailed notices are sent no less than 10 calendar days prior to the disconnection date.
- As a courtesy, the City will place reminder cards on the main entry of the building to be disconnected (not the preferred entry of the customer) 24-48 hours before disconnection.
- Services will be disconnected starting at 10:00am on the date noted on the disconnection notice.
- Once City staff have been sent to disconnect the meter, service may be disconnected even if payment was received prior to actual disconnect but after 10 am on the date of disconnection.
- If a customer signs a DPA, payments must be made by the due date or service shall be disconnected that following day if the date falls within the disconnection date range.
- After receiving first disconnection notice, if a customer's payment is returned for NSF, the customer's service will be disconnected without further notice, if within 48 hours of the disconnection date.
- After receiving first disconnection notice, if a customer's payment is returned for NSF 48 hours past the disconnection date, a new disconnection notice of no less than 24 hours will be placed upon the physical location of the delinquent account.
- When a disconnection creates a concern for safety of City staff, the City Administrator or Municipal Services Director may provide an alternative solution.

Reconnection Process

- If applicable, all NSF fees must be paid in full.
- The customer shall make a payment equal to all outstanding balances (30 days or greater) or arrange a DPA and pay a \$40.00 reconnect fee.
- Reconnection fees are for the costs of the City performing reconnections.
- Reconnections will not begin until after City staff are done with all disconnections.
- City staff will remain available to physically reconnect customers until 4:30 pm on the day of disconnection.
- City staff will remain available to make arrangements or accept payments until 4:30 pm on a standard work day.

- The Municipals Service Director or Water and Light Foreperson may direct the installation of a remote disconnection meter when deemed it may improve service, safety or efficiency.

Disconnection Moratorium

- The disconnection moratorium is November 1st to April 15th of each year.
- No disconnection can occur at this time for residential customers only.
- If disconnected prior to November 1st for non-payment, the City is not obligated to reconnect services until the account is made current.
- Late fees, interest and other charges shall be added during the disconnection moratorium.

Final Billing

Rates and Fees

- The utility customer shall be billed to the full amount owed based on utility use as of the transfer or disconnection date.
- All non-variable fees shall be pro-rated at 30 days

Notice

- Customers, property owners and closing companies are responsible for giving adequate notice to the City in order to process the final bill.
- Producing final bills for owners of one to ten units (1-10) shall require notice of three (3) working days.
- Producing final bills for owners of eleven units or more (11+) shall require notice of five (5) working days.

Billing and Information

- When a property is changing owner, but not the utility customer, a final billing process must still be completed. The utility customer may have two separate bills both due at the same time because of billing automation.
- A forwarding address is required for all final bills.
- If no forwarding address is provided by the account holder, the City shall mail the bill so that it may be forwarded by the US Postal Service.
- After 4 attempts, paper bills will no longer be printed and mailed.

Collections

State Debt Collections (SDC)

- The City will only submit to collections accounts/bills that are final.

- Per the agreement with SDC, the account must have a balance of \$50.00 or more past due.
- To meet SDC requirements of bills being 90 days past due the City shall:
 - After 60 days of being past due (past due means past the original due date of the bill not paid) the City shall send notice of its intent to file with SDC.
 - After providing a 30 day notice the City shall file with SDC.
- After the account or bill is sent to SDC, an alert is placed on the account to accept payments through SDC only.
- The City shall continue the collection process until the bill or account can be transferred to tax collection (if eligible) or until deemed uncollectable.

Tax Roll Collection

- Accounts in the name of tenants (“renters”) shall be paid in full and made current by August 31st each year. The City notifies landlords of their tenant’s status every month if any bills are past due.
- All amounts not collected and ineligible for SDC, shall be sent to the City Clerk for tax roll collection after November 15th of each year.
- The City Clerk will send the collection to the County prior to November 20th for placement on the tax bill.

Medical Necessity

Heat Advisory

During a heat advisory issued by the National Weather Service the City will make reasonable attempts to reconnect services to customers who have been disconnected when there is a potential threat to health or life. Upon expiration of the heat advisory the City shall disconnect service without further notice.

21 Day Medical Postponement

Postponement is a temporary solution to provide the customer a window of time to make arrangements, not a permanent cycle of discounted utilities.

Per Section 113.0301 of the PSC Administrative Code, the City shall postpone the disconnection of or reconnect service for a customer with medical needs for up to 21 days. The customer must prove that disconnection will aggravate an existing medical condition or interrupt emergency care. The customer must provide the following:

- A statement identifying the medical need for uninterrupted or reconnected service from a Wisconsin licensed physician, public health official, social services or law enforcement.

- The statement must identify the medical need or protective services emergency.
- The statement must specify the period of time during which disconnection will aggravate the circumstances.
- A reasonable payment arrangement to continue the service on an extended basis under a DPA or payment extension.

The City will take extenuating circumstances, such as infirmities of aging, developmental, mental or physical disabilities, the use of life support systems, or like infirmities incurred at any age, or the frailties associated with being very young, into consideration prior to disconnecting or reconnecting service. The City considers these circumstances a high threshold to meet and prove. These circumstances shall be a matter of life and safety, not comfort.

The postponement may be extended greater than 21 days by renewal of the statement or an agreement, both to be reviewed and potentially approved by the MSC when there is evidence of reasonable communication between the City and customer, and attempts by the customer to make payments.

Notes of such arrangement and review shall be placed on the account.

The customer must sign a consent form stating their name, account number, and the reason or circumstances for the extension of postponement. This is a requirement so the Committee may discuss the customer's account and circumstances in a public meeting, and vote on the account postponement.

Severability

If any statement, procedure or directive within this policy shall, for any reason and to any extent, be invalid or unenforceable, the remaining shall remain in full force and effect.