

Article I. Delinquent Utility Policy / Resolution

This policy/resolution provides a method by which resource hemorrhaging current delinquencies will be eliminated; prevent delinquencies in the future; and will do so under one cohesive policy for water, power, garbage and sales tax.

- 1) *For current delinquencies: a letter, pre-signed by the Town Council, shall be sent by the Town Treasurer or Town Clerk, notifying the delinquent user they have 45 days to bring their delinquency current, or make arrangements for a Town Council approved re-payment plan or rebate. Otherwise their utilities will be terminated.*
 - a. *See resolution # 02142001 and delinquent customer letter dated June 4th, 2001.*
- 2) *Utility is defined as all of the following: culinary water service; electrical power service; garbage service; sewer service; costs and fees incurred in the collection of utilities, including late fees, penalties, taxes, interest, returned check charges, filing fees, court costs, employee actual costs, postage; and any other services provided by the Municipality at any time in the future.*
- 3) *Utility deposit is defined as: 1) three (3) times the Town's average annualized combined monthly utility bill, or 2) \$300.00, whichever is greater.*
- 4) *The minimum delinquency caused reconnection fee is defined as twelve (12) times the basic monthly meter rental for both water and power. If services are disconnected for more than one year, the above calculation will be: twelve (12) times the basic monthly meter rental for both water and power, times the number of years the service was disconnected, with the number of years being no less than two (2). The number of years shall always be rounded up to the next integer value; except - if ownership of a delinquent property changes, the new owner shall not be subject to the previous owner's delinquency.*
- 5) *The reconnection fee for a new owner is defined as the actual cost of reconnection subject to a \$50.00 minimum fee.*
- 6) *An acceptable repayment plan of delinquent utility bills shall be defined by majority vote of the Town Council on a case-by-case basis. For example: delinquent utility bills may, upon a majority vote of the Town Council, be repaid at the rate of 34% per month of the original delinquent balance plus the current month's usage plus accrued penalties and/or fees.*
 - a. *Example: Delinquent amount equals \$100.00. Current month's usage plus fees and penalties equals \$50.00. Minimum amount due equals \$84.00 (34% of \$100 (delinquency) plus \$50.00 (current month's usage)), leaving a delinquent amount in arrears of \$66.00.*

- 7) *A delinquent user's utilities shall be terminated unless: 1) the amount of the utility payment made (if on a payment plan) fully includes the current month's usage and decreases the delinquent amount owed (including fees, penalties and interest) by an amount approved by a majority vote of the Town Council, or 2) a majority vote by the Town Council rebates any part or all of the delinquent user's utility bill, or 3) the delinquent amount is paid in full.*
- 8) *The Town Treasurer shall provide a written report of delinquencies to the Town Council at the Town Council monthly meeting.*
- 9) *Adopt Section 1.02 'Procedure For Collection Of Delinquent Utilities or Termination'.*

Section 1.02 Procedure For Collection Of Delinquent Utilities or Termination

- 1) *The Town Treasurer, upon determining the delinquency of a utility user's bill, shall send a letter, within six (6) business days, pre-signed by the Town Council, to the delinquent user requiring payment before the 24th of the next (second) month. Such letter shall include, as a minimum, the following:*
 - a. *The amount owed, the accrued penalties, and the interest rate on the delinquency;*
 - b. *The date of the upcoming Town Council meeting;*
 - c. *The name and contact number of the Mayor or Mayor's designee;*
 - d. *A request to contact the Mayor or Mayor's designee to:*
 - i. *Discuss reasons why the delinquent user should be allowed to continue the delinquency,*
 - ii. *Discuss a re-payment plan, or*
 - iii. *Appear at the Town Council meeting.*
 - iv. *Such letter shall also be sent to the Mayor or Mayor's designee.*
 - e. *Such letter shall also be sent to the owner of a non-owner occupied property.*
 - f. *If the Mayor or Mayor's designee is contacted regarding a delinquency, the Mayor or Mayor's designee shall bring the delinquent user's issue before the Town Council on the Town Council meeting date specified in item 1)-b above.*

- 2) *Failure of the delinquent user to do any of the above, shall indicate to the Town Council that the delinquent user is either intending to fully re-pay the delinquent amount by the date due, or the delinquent user is not interested in cooperating with the Town Council.*
- 3) *If the delinquent amount is not paid before the 24th of the second month of the delinquency, or if the Town Council takes no action regarding the delinquent user's issue, the Town Treasurer shall send two letters, one certified and one regular mail, pre-signed by the Town Council, requiring payment of the delinquent amount within three (3) business days or face termination of services. Such letter shall also be sent to the owner of a non-owner occupied property. Also, a seventy-two (72) hour shutoff notice shall be posted on the property.*
- 4) *If the delinquent amount is not paid by the close of business on the third business day, the Town Treasurer shall send two letters, one certified and one regular mail, pre-signed by the Town Council, demanding payment of the delinquent amount within two (2) business days of the postmark or face termination of services. Such letter shall also be sent to the owner of a non-owner occupied property.*
- 5) *Upon failure of the delinquent user to pay the delinquent utility bill within the allotted two (2) business days, all utilities to the affected household shall be terminated.*
- 6) *After termination of utilities, the Town Treasurer shall send a letter, pre-signed by the Town Council, to the delinquent user. Such letter shall describe what amounts must be paid before utilities may be restored, and shall include, as a minimum, the following:*
 - a. *The amount of a new utility deposit;*
 - b. *The amount of re-connection fees;*
 - c. *The amount of the unpaid delinquency.*
 - d. *Such letter shall also be sent to the owner of a non-owner occupied property.*