

**ACTION ITEM
BOARD OF SUPERVISORS**

DATE: December 16, 2008

TO: Board of Supervisors

FROM: Anthony Romanello, ICMA-CM
County Administrator



ISSUE: Discuss Delinquent Utility Accounts

STAFF RECOMMENDATION: N/A

BUDGET IMPACT: N/A

ATTACHMENTS: (1)

[1] Memo dated 12/09/08 [] Reso/Ord/Proc #

[] [] Reso/Ord/Proc #

[] [] Reso/Ord/Proc #

REVIEW [] County Administrator's Office _____

[] Legal _____

- [] Consent Agenda [] Other Business [] Public Hearing
- [] Discussion Item [] Presentation [] Unfinished Business
- [X] New Business

PRESENTATION BY: Supervisor Cord Sterling

ELECTION DISTRICT: N/A

DEPARTMENT OF UTILITIES
MEMORANDUM

December 9, 2008

TO Anthony Romanello
 County Administrator

FROM Harry L. Critzer
 Director of Utilities

SUBJECT **Policies Relating to Delinquent Utilities Accounts**

The following guidelines were adopted in February 2008 to assist our Customer Service staff in dealing with delinquent accounts

An account is designated as delinquent if no payments have been received within 25 days from the billing date. Bills are due upon receipt as stated on the bill. If no payments are received within 25 days, a second bill is sent stating that the outstanding amount is delinquent. If no payments are received within an additional 15 days from the date the account was deemed delinquent and no contact has been made with our office, the account is scheduled for service disconnection on the next turn-off day.

Customers with delinquent accounts who contact our office are given the opportunity to make payment arrangements unless they have done so in the past and have failed to make payments as agreed. If payment arrangements are made, the customer is notified that failure to meet the payments will result in no additional payment arrangements being made within a period of one (1) year. Payment arrangements are documented by entering them into the HTE billing system along with the Customer Service representative's initials and the name of the person the arrangements are made with. In addition, the delinquent turn-off date is changed in the system.

Our guidelines for making arrangements include the following:

- Normally, at least 50% of the delinquent amount must be collected immediately.
- If necessary, a monthly payment plan is set up for the payment of the delinquent amount plus current charges. We try not to exceed a period of three (3) months.
- The customer is advised that a 10% penalty will be added to the delinquent amount.

If the customer fails to meet the payment arrangements agreed upon

- Payment in full is required in order to avoid termination of service
- If service is terminated, a \$30 reconnection fee is added to the account

On occasion, a customer may have an undetected leak which results in a higher-than-normal bill. The Customer Service staff works with the customer to set up a time payment plan. The arrangements agreed upon are documented in the billing system. Any delinquent penalties that normally would be assessed are adjusted.

If a customer's payment arrangements are due to back billing for services not billed correctly by us, all penalty charges are waived.

A \$25 returned check fee is assessed for all returned payments. If service is terminated, it is not restored until payment is made with cash, a money order or a credit card.

On occasion, a customer who has been turned off will insist that we deduct the \$30 reconnection fee. The Customer Service staff is authorized to offer to deduct the reconnection fee if the customer brings the account up to date and signs up for bank draft for future payments.

Commercial accounts are treated the same as residential accounts except that an attempt is made to contact the business by phone before water service is terminated.