



Issue: CHANGES TO CURRENT UTILITY BILLING DISCONNECT AND BILLING POLICY.

Date: April 1, 2022

Submitted By: Jennifer Evans, Director of Finance

Background

The Utility Billing operation's billing and disconnect policy attempts to strike a balance between providing important information to our customers and giving guidance and authority to our staff. It is important to have very clear policies for staff to follow in order to provide consistent and fair service to all customers. After spending some time in the Utility Billing office in the interim between Supervisors, it became clear to me that our current policies, while effective, needed clarification and lacked a little bit of flexibility when it comes to trying to mitigate special and unusual circumstances that customers sometimes face. Therefore, when Bryan Hawk joined the team, I asked him to evaluate the current policies and come up with some ideas for how those policies could be enhanced to further serve our customers.

Analysis

The proposed changes to the existing policies are aimed at simplification and clarification and will give more options for staff to help customers who may be struggling to pay their bill, or who have an extenuating circumstance that might prevent them from being able keep their utilities on. At the same time, these policy changes are mindful of the fact that we must continue to provide consistent and fair treatment to all customers and remain fiscally responsible as it relates to charges for services.

Recommendation

Council's thoughtful consideration of these changes is appreciated. Staff welcomes any suggestions for further enhancements to the policy and recommends final passage by Resolution at the next regularly scheduled meeting.

Services/Charges	City of Nixa	City of Republic	City of Ozark	City of Willard	City of Branson	City of Springfield	City of Lebanon	City of Hollister	Liberty Electric	City of Carthage	City of Monett	Ozark Electric Co-Op	White River Electric
Billing Cycles	2 - Based on location	2 - Based on location	2- Based on location	1	2- Based on location	21 - Based on location	3 - Based on location	1	1	Multiple	2	4	4
Choose Due Date	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES
Deposits													
WATER	20.00 inside, 30.00 outside	\$ 150.00	Homeowner \$75.00, Renter \$100.00	\$100.00 or \$200.00 based on credit	Homeowner \$50, Rental \$75.00	Homeowner, NO Deposit, Rental \$100.00 billed on 1st bill	\$ 20.00	\$ 110.00	N/A	2x highest bill	Homeowner , NO Deposit, Rental \$200 Elec, \$20 Water	N/A	N/A
ELECTRIC	Homeowner 50.00 (gas) 200.00 (elect), Renter 100.00 (gas) 200.00 (elect)	N/A	N/A	N/A	N/A		\$ 80.00	N/A	2x average monthly			\$350/\$175.00/\$0 based on credit	2x average monthly
Notes		No Dep with LOC							No Dep with LOC	No Dep with LOC		No Dep with LOC	No Dep with LOC
Deposit collected on reconnect	Yes= until reaches 2x avg bill	If no deposit when DC, then collect.	N/A	\$100.00 or \$200.00 based on credit	only if taken to final billing	\$50.00 billed if they have a current deposit, \$100.00 billed if no current deposit.	only if taken to final billing	only if taken to final billing	2x highest bill	if severely past due	NO	NO	depends on if deposit currently on account
Late Penalty	5%	\$ 5.00	10%	10%	5%	10%	10%	10%	0.50%	10%	10%	10%	5%
Reconnect Charge	\$25.00 per service	\$ 25.00	\$ 50.00	\$ 50.00	\$13.00 notice, \$13.00 disonnect/\$28.50 for AmWater	\$ 10.00	\$ 30.00	\$45.00 during working hours, \$57.50 after hours	\$30.00 during working hours, \$50.00 after hours	\$30.00 during working hours, \$75.00 after hours	\$25.00 during working hours, \$50.00 after hours	\$ 75.00	\$55.00 if AMI, if trip req'd then addt'l \$100.00 during office hours, \$150.00 after hours
Payment Arrangements	YES, with limit of \$50.00 remain bal.	YES, Multiple	NO	NO	Yes= Case by Case, limited time	Yes= Case by Case	Yes = every 3 months	Yes= Case by Case	YES	Not listed.	Yes= by end of month	Yes= offer prepay	Yes=case by case

- **Sec. 22-47. – Water Deposits.**

(a)

All inside city and outside of city users of water shall pay a refundable deposit with city utilities as established by ordinance prior to the time service is obtained. In the event any bill becomes delinquent the city may apply any deposit toward any outstanding balance.

(b)

For residential users the deposit amount shall be ~~\$20.00~~ **\$50.00** if the service is being provided inside the city limits. For residential users the deposit amount shall be ~~\$30.00~~ **\$75.00** if service is being provided outside the city limits. All residential customers that participate in the ACH (autopay) program and have a satisfactory payment history shall be eligible to have their deposit refunded as a credit to their utility account. A satisfactory payment history for residential customers shall be established by the most recent 12-consecutive-month period as a city utility customer with no more than one late payment and no payments returned for insufficient funds.

(c)

Commercial users are required to make a deposit equal to two times their estimated water bill. A deposit shall not be required from a commercial customer who agrees to participate in direct banking withdrawal for their monthly utility payments and provides a surety bond in the amount of the required deposit with the city listed as obligee. If Commercial users who have had a security deposit waived have their banking withdrawal returned for insufficient funds, a new surety bond or cash security deposit may be required in accordance with an updated calculation of two times the customer's average bill. The city may make a claim for payment under any surety bond in the event a user becomes delinquent in payment.

(d)

Deposits shall not bear interest. City utilities may disconnect water service without notice to any customer who may fail to make or maintain the deposit required by city utilities. Deposits shall be applied to the customer's final bill.

(e)

In the event service is disconnected for nonpayment, an additional service deposit shall be collected prior to reconnect.

(f)

Such deposits, as outlined above, shall be refunded at the termination of service after all charges that may be due and payable by the customer have been paid. **Refund checks will be issued in the name of the account holder only.**

(g)

A customer who has made application for water service to a premise shall be held liable for all water service furnished to such premises until such time as the customer properly notifies city utilities to discontinue the service for his account.

(h)

Deposits may be waived for vacant premises owned by a landlord or for properties which have been vacated and are in the possession of a banking institution due to foreclosure.

(i)

Upon notification from the bankruptcy court of a bankruptcy filing for a utility customer, reading of the customer's water meter shall be made. Such account shall be closed, and security deposits shall be applied to any outstanding charges. Account shall remain inactive until further notice from bankruptcy court as to the disposition of the outstanding balance. A post-bankruptcy account may be opened for a bankruptcy customer who requires water services. All charges after the bankruptcy notification shall be posted to the post-bankruptcy account. A deposit of two times the average monthly water bill shall be required as a water deposit for a post-bankruptcy account.

(Prior Code, § 18-5; Ord. No. 1666, 9-13-2010; Ord. No. 1716, 12-19-2011; Ord. No. 1736, 4-16-2012; Ord. No. 1868, 7-20-2015; [Ord. No. 2059](#), § I, 6-24-2019)

- **Sec. 22-308. – Electric deposits.**

(a)

All inside city and outside of city users of electricity shall pay a refundable deposit with city utilities as established by ordinance prior to the time service is obtained. In the event any bill becomes delinquent the city may apply any deposit toward any outstanding balance.

(b)

All residential customers that participate in the ACH (autopay) program and have a satisfactory payment history shall be eligible to have their deposit refunded as a credit to their utility account. A satisfactory payment history for residential customers shall be established by the most recent 12-consecutive-month period as a city utility customer with no more than one late payment and no payments returned for insufficient funds. For residential customers the **electric deposit is \$100.00 for homeowners, and \$250.00 for tenants'** amounts shall be as follows:

(i)

~~Homeowner with natural gas service – \$50.00~~

(ii)

~~Homeowner without natural gas service – \$200.00~~

(iii)

~~Tenant at rental with natural gas service – \$100.00~~

(iv)

~~Tenant at rental without natural gas service – \$200.00~~

(c)

Commercial users are required to make a deposit equal to two times their estimated electric bill. A deposit shall not be required from a commercial customer who agrees to participate in direct banking withdrawal for their monthly utility payments and provides a surety bond in the amount of the required deposit with the city listed as obligee. If Commercial users who have had a security deposit waived have their banking withdrawal returned for insufficient funds, a new surety bond or cash security deposit may be required in accordance with an updated calculation of two times the

customer's average bill. The city may make a claim for payment under any surety bond in the event a user becomes delinquent in payment.

(d)

Deposits shall not bear interest. City utilities may disconnect electric service without notice to any customer who may fail to make or maintain the deposit required by city utilities. Deposits shall be applied to the customer's final bill.

(e)

In the event service is disconnected for nonpayment, an additional service deposit of **\$50.00** shall be collected prior to reconnect **if there is no deposit on the account. If there is a deposit on the account, no additional deposit will be required.**

(f)

Such deposits, as outlined above, shall be refunded at the termination of service after all charges that may be due and payable by the customer have been paid.

(g)

A customer who has made application for electric service to a premise shall be held liable for all electric service furnished to such premises until such time as the customer properly notifies city utilities to discontinue the service for his account.

(h)

Deposits may be waived for vacant premises owned by a landlord or for properties which have been vacated and are in the possession of a banking institution due to foreclosure.

(i)

Upon notification from the bankruptcy court of a bankruptcy filing for a utility customer, reading of the customer's electric meter shall be made. Such account shall be closed, and security deposits shall be applied to any outstanding charges. Account shall remain inactive until further notice from bankruptcy court as to the disposition of the outstanding balance. A post-bankruptcy account may be opened for a bankruptcy customer who requires electric services. All charges subsequent to the bankruptcy notification shall be posted to the post-bankruptcy account. A deposit of two times the average monthly electric bill shall be required as an electric deposit for a post-bankruptcy account.

(Prior Code, § 7-3; Ord. No. 1683, 3-14-2011; Ord. No. 1715, 12-19-2011; Ord. No. 1735, 4-16-2012; Ord. No. 1869, 7-20-2015; [Ord. No. 2060](#), § I, 6-24-2019)

CURRENT POLICY REGARDING UTILITY BILLING COLLECTION PROCEDURES

Billing

2.1 The City of Nixa sends out a monthly bill for each billing cycle.

2.2 Utility bills will have a designated due date corresponding to a billing cycle:

A. Cycle 1 Billing, previously due approximately at the first (1st) of each month, will now be due the fifth (5th) of each month.

B. Cycle 2 Billing, previously due approximately at the fifteenth (15th) of each month, will now be due the twentieth (20th) of each month.

2.3 If the due date falls on the weekend or holiday, the following business day will represent the due date.

2.4 The utility bill is the notice to the customer that payment is required for utility service. The bill includes: the billing date, dates of service, charges for utility service, total amount due, and payment due date. Failure to receive a bill does not waive penalty or fees.

2.5 It is the customer's responsibility to contact the City of Nixa Utility Office if they have not received their bill.

Payment

3.1 Bills are due ~~within 16 days from the billing date.~~ **approximately 19 days from the billing date.** If your bill is due on the fifth (5th) of each month, your bill will be mailed out on approximately the 17th of each month. If your bill is due on the twentieth (20th) of each month, your bill will be mailed out on approximately the third (3rd) of each month.

3.2 Payments can be made by cash, check, money order, bank ACH draft, in person, by mail, in our 24-hr drop box, online, or by any other means offered by the City.

3.3 **Payments that are mailed, including bank bill pay, must be received by the due date to avoid a penalty or disconnection of service.**

3.4 A ~~5%~~ **10%** penalty is added to the amount of the bill if it remains unpaid ~~17 days after the billing date~~ **after 5 pm on the due date.**

3.5 Accounts shall be subject to utility disconnect if the bill ~~remains unpaid 18 days after the billing date.~~ **Remains unpaid 10 days past the due date.**

Returned Check Policy

4.1 Notification of a returned check will be provided with a door hanger placed on the customer door indicating a payment requirement.

4.2 The returned check shall be paid by cash or money order.

4.3 Customers are only allowed three returned checks. Any payments made to the account after the third incident shall be paid by cash or money order.

4.4 Customers that do not pay for the returned check within one business day from notification will be disconnected. In order to have utilities reconnected; the customer will have to pay for their check, a \$25.00 return check fee and a \$25.00 reconnection fee with cash or money order.

4.5 Partial payments shall not be accepted for returned checks.

Payment Arrangements

5.1 The City of Nixa may allow a customer to enter into an agreement for acceptable payment arrangements if the customer is unable to pay the full amount of the utility bill by the due date; ~~however, at no time shall the outstanding balance exceed \$50.00.~~

5.2 Payment arrangements to assist residential customers who are having difficulty paying their bill may be entered into at the discretion of the City Administrator or his designee. Payment arrangements should not exceed three (3) months in length.

5.3 The City of Nixa will only allow one (1) payment arrangement per bill.

5.4 A customer shall contact the City of Nixa by phone or in person to initiate payment arrangements.

5.5 The City of Nixa will provide agency assistance information to its customers who need financial assistance.

5.6 If a customer does not honor the payment arrangement, the City shall disconnect City utility service(s). ~~If a customer violates the terms of the arrangement, it is at the discretion of the City Administrator or his designee if the contract can be renegotiated to extend the agreement.~~

5.7 Pledges or guarantee of payment from state agencies or other entities ~~does not constitute payment~~ will serve as a place holder to prevent disconnection of service. ~~The City Administrator or designee may use his/her discretion when handling customers receiving pledges.~~ Customers are required to either pay the remaining balance or other fees to retain utility service ~~or provide supplemental documentation that a pending pledge will be sent within thirty (30) days to the city to pay a portion or all their utility bill.~~

Disconnection for Non-Payment

6.1 Failure to pay by ~~the 17th day after the billing~~ **5pm on the due** date will result in the mailing of a past due notice ~~the following business day.~~ This past due notice usually allows ~~7~~ **10** additional days for payment. Failure to pay or set up an agreeable payment arrangement shall result in immediate disconnection.

6.2 All Payments made to prevent disconnection must be made in the City of Nixa Utility Billing Office prior to disconnect. No payments will be accepted in the field to prevent disconnect.

6.3 **Payment of delinquent utility bills subject to disconnection of service, but before the physical act of disconnection of service shall not serve to prevent the assessment of a service charge.**

6.4 Although partial payments are accepted, partial payment will not prevent utility services from being discontinued for non-payment. A customer may be disconnected for any amount after the date of the second billing or pre-arranged extension.

6.5 Partial payments for the continuance of service in lieu of full amount due or delinquent may be approved at the discretion of the City Administrator or his designee. The City Administrator is authorized to develop and implement terms of the partial payment which shall be set forth and agreed to in writing by the customer and the City Administrator or his designee.

6.6 Once an account has been disconnected for non-payment, full payment of the past due amount, and a ~~reconnect fee~~ ~~service charge~~ of ~~\$25.00 per utility service~~ ~~\$50.00~~ and an additional deposit based on utility service shall be made for reconnection of service. If reconnection is requested after business hours, an additional service charge of \$25.00 will be assessed to the customer (\$75.00 total).

6.6 Charges shall be filed against anyone that has tampered with a meter that has been disconnected for non-payment.

6.7 The City can waive or postpone shutoffs in the best interest of staff, customers, or property. Shutoffs can be waived for heat advisories, temperature below thirty-two (32) degrees Fahrenheit, or other extreme weather events.

6.8 If the customer is on 24-hour oxygen support and can provide the City with documentation to support this claim, the City Administrator or designee may grant a waiver of disconnect to prevent possible lack of oxygen supply to the customers in need. The customer would then be required to submit their plan on how to ensure their bill is satisfied.

Reconnection

7.1 Once an account has been disconnected for non-payment, the entire balance must be paid by cash or money order before utility services will be restored.

7.2 A ~~\$25.00 fee per utility service~~ ~~\$50.00~~ ~~service charge~~ is required for reconnection of services that have been disconnected for non-payment, bad check, tampering with City meters, or disclosure of false information.

7.3 Payments made through our Interactive Voice Recognition (IVR) or through our website to be reconnected must be accompanied by a phone call to the Utility Billing office to notify of the payment as reconnection fees may not reflect correctly on the website or IVR, and thus would still be due to reconnect service.

7.4 The City Administrator or designee may approve the Utility Billing staff to waive the service charges associated with reconnection one (1) time on a customer's account every three (3) years for an extenuating circumstance or life-altering event that prevented the customer from paying their utility bill. This will be documented on a customer's account for future reference should the customer need more than one forgiveness.

Collection of Amount Due by Another Party

8.1 Utility bill payments shall be made payable to the City of Nixa Utilities.

8.2 After 90 days, delinquent accounts may be referred to a collection agency. The collection agency will attempt to obtain payment, however, if no payment is collected, the collection agency will report the debt to the credit bureau.



UTILITY PAYMENT AGREEMENT
3 MONTHS

DATE: _____

PHONE #: _____

ACCOUNT#: _____

LAST FOUR OF SS#: _____

I/We, _____, being in responsible charge for utility service at _____ hereby acknowledge indebtedness to the City of Nixa for delinquent utility bill in the amount(s) shown below. I/We agree, if so, approved by the City of Nixa, to submit payments in the amounts and on the dates indicated herein.

BILLING MONTH	AMOUNTS DUE	
Total Amounts Due for Payment Agreement	\$	
1 st Payment DUE:	\$	+Bill
2 nd Payment DUE:	\$	+Bill
3 rd Payment DUE:	\$	+Bill

PAYMENTS MADE ONLINE DO NOT GET POSTED UNTIL THE NEXT BUSINESS DAY!

All payments PLUS CURRENT BILLING is due by 5:00PM on the assigned date.

I/We further acknowledge that:

- _____ Failure to make payment will result in discontinuance of utility service for the account listed above until such time as the total amount due, plus any penalties and service charges are paid to the City of Nixa.
- _____ This agreement shall serve as the only written notice for disconnection of utility service for non-compliance with the terms stated herein.
- _____ During the term of this agreement, the customer must remain in good standing with any utility bills generated after the approval of this agreement.
- _____ The terms of this agreement do not preclude the City of Nixa from pursuing other legal remedies to collect this or other debt owed by the customer.

Signature

Printed Name

Date

Approval by the City of Nixa, Missouri:

Signature

Date