

Introduction

The policies and procedures contained in this document are intended to define the relationship between the customer of utility services including water, wastewater, stormwater, and solid waste collection and the City of Hendersonville. These policies are, by notification of and available to all customers, made part of the contract for service entered into by the customer. By contracting for service, the customer acknowledges the applicability of these policies and procedures and agrees to abide by them.

Authority

The enactment of standard utility policies requires the approval of the City Council. As fee schedules, rates and other specific policies are updated, it will be the responsibility of the Finance Department to ensure this policy manual is revised in accordance with City Council action.

Office and Service Hours

The City Customer Service Department is located at 160 6th Avenue East and is open from 9 a.m. to 5 p.m. Monday through Friday. Routine and regular service work will be performed from 8 a.m. to 5 p.m. Monday through Friday except for City holidays. Service work for unusual conditions may be arranged at other times upon customer request and may require an additional fee.

A 24-hour drop box is available for customer payments in the City Hall 6th Avenue parking lot. Payments made after 8:00 am at the dropbox are posted the next business day.

Privacy

Our application/agreement requires that the potential customer provide their social security number. We request this number to verify identity, check creditworthiness, protect sensitive account information, and collect delinquent balances. There is no statutory or other authority requiring any customer to provide a social security number. However, when customer billing data is requested, the last four digits of the social security number or Tax ID Number will be used to verify identity prior to any information being given out by staff. Staff members have the authority to request other verifying information to protect the City as well as City customers against fraud. Customer billing data is not considered public information. The City will ensure that customer information, including billing data, is safeguarded against unauthorized use. Please see the attached Customer Social Security Collection Form attached in Appendix 1.

A. Establishing Service.

All connections to the City of Hendersonville water and sewer system are required to have an active account. New service accounts are required to submit an application along with proper documentation for approval to the City of Hendersonville Customer Service Department to set up a customer account. Any connection that does not timely set up

an account may be required to pay for all charges from time of connection to the most recent billing period prior to opening an account.

1. **Application.** A completed application for service must be received and reviewed for completeness by the Customer Service Department prior to the installation of new service or releasing responsibility of the prior customer if the residence is sold, transferred, or leased to a new tenant. Service is conditioned on satisfaction of all previously owned (and still legally collectible) utility debts to the City.
 - i. As part of the application process, the City requires that the applicant provide a valid government-issued identification document (driver's license, passport, state identification card, military identification card, etc.) and requests a social security number. A new application must be submitted for every connection, regardless of prior connections to an existing address or customer history. An application is provided in Appendix 1
 - ii. Property Owners shall provide a closing statement or deed to verify ownership. Property owners may have utilities connected at more than one location if all accounts remain in good standing with the City. Any delinquency for utility services at any location may prevent a property owner from establishing a new service. Property owners with a rental property are required to have service automatically revert to them when a tenant requests services to be discontinued in their name. This may prevent the owner from having to apply for service with each occurrence. A separate landlord agreement must be completed before tenants may start service in their name.
 - iii. Non-Property Owners shall provide the City with a copy of a lease/rental/occupancy agreement and may be limited to one service location at any given time. The non-property owner's utility account may be set up in the name or names specified in the lease/rental/occupancy agreement. In the event any person named in the lease has any outstanding utility debt with the City, that debt shall be paid in full prior to service connection. If a lease/rental/occupancy agreement cannot be provided, an Application for Utility Services may be denied.
 - iv. Multi-Unit Residencies shall provide the City with verification of ownership listing all units by street address and unit number, if applicable. Owners of the property shall provide the City with a list of authorized agents who act upon their behalf (e.g. site managers, real estate agents). The account may not be set up in the name of the property owner, site manager, or real estate agent. A federal identification number or social security number may be requested for access to account information and use in the collection of any delinquencies owed to the City. It is required that multi-unit establishments have account responsibility automatically revert to owner establishment when a tenant requests for services to be discontinued in their name. Multi-unit residence owners or agents

- may have utilities connected at more than one location if all accounts remain in good standing with the City. Any prior delinquency for utility services at any location may prevent an owner from establishing a new service.
- v. Revert-To-Owner Contract for Continuous Utility Service shall provide property owners and managers the ability to maintain continuous utility service while a rental unit is vacant. A Contract must be completed and a listing of all premises (service addresses) must be completed and submitted by the Owner(s)/Property Manager(s). By signing the contract, the owner(s) or manager(s) are agreeing to be responsible for utility services and related costs between the time service to outgoing tenants is terminated and service to incoming tenants is initiated, including base charges. Upon completion of the contract, staff may attach the contract to the property owners' Customer Identification number, add all service addresses to the Revert-To-Owner Property Listing, set up owner information in the utility billing system, and file accordingly. The premise visit charge may only be charged to an account if utility service has not been previously established at a premises/service address in the name of the applicant. Utility bills for all properties included in the Contract may be sent to the mailing address provided on the Contract and may not be the same as one of the properties covered in the contract. Service is to automatically revert to the owner upon notification by a tenant to discontinue service in their name. As stated in the contract, no notification may be given to the owner/manager in such a situation. If service is discontinued by the City due to non-payment or interference with normal service (i.e. meter tampering), service shall not automatically revert to the owner. Once service has been terminated for non-payment or interference with normal service has occurred, service at the premises may be reinstated only if (1) arrangements are made to pay in full all amounts due on the account in accordance with these policies; or (2) the proof is provided to the City of Hendersonville that the non-paying tenant no longer occupies the premises. Owner(s)/Property Manager(s)/Tenants may be denied service in the instance the Owner(s)/Property Manager(s) are delinquent at any utility service location. The contract shall be made in an initial term of twelve months and shall be automatically renewed for subsequent terms of twelve months. Termination of the contract must be provided in writing by either part. Adding a property to the Contract may not automatically activate a meter that is not in use. City staff must be notified and directed to activate meters at the property that is not in use.
- vi. Multiple Delinquencies per Service Location shall require the property owner, or their specified agent on record, to be the contracting utility customer after three (3) delinquencies on utility accounts have occurred at a specified location in an eighteen-month period (18) month period. Delinquency on a utility account is when a utility customer is indebted to the City after all deposits and

payments are applied during the finalization process. Service may remain in the name of the owner or agent; however, an authorization form to release utility billing information may be completed in order to give additional persons access to account information for the purpose of payment and balance requests.

2. **Reasons for Denial of Service.** Applications for utility service may be denied for any one of the following reasons: - A lease/rental/occupant agreement cannot be provided - Validity of lease/rental/occupant agreement is in question and the property owner cannot be reached - There are three or more delinquencies at a service location in an eighteen (18) month period occurring after adoption of these policies resulting in services being provided to the property owner or agent on record only - Questionable Identification – inability to provide verifiable or valid identification.

3. **Customer Deposit.** The purpose of a customer deposit is to try to ensure that all utility charges are collected. All new customer accounts are required to pay a deposit on the most recently approved rate tier. The customer's Utility Credit Worthiness and type of service may determine the deposit tier. Upon termination of an account, the deposit may be applied to any outstanding balance. Any remaining deposit greater than \$5.00, after applying to the outstanding balance, may be refunded. As part of the application process, the Customer Service Department may determine if you may be required to pay a deposit on your account based on your credit rating. With a good credit rating, this deposit fee may be waived. The amount of the deposit shall be set from time to time by the City Council (Rate & Fee Schedule).
 - i. Any current customer that does not have a deposit with the City of Hendersonville whose service is involuntarily terminated for nonpayment, tampering, or other reasons more than twice in any 12-month period, may be required to pay a deposit in the amount described above.
 - ii. Any person requesting utility service who has previously had an unpaid balance to the City may be required to repay this amount, plus pay a deposit.
 - iii. The City has the right to apply the customer deposit to any unpaid utility charges after an account is more than 60 days past due. If all or any portion of a customer deposit is applied to past due charges, and the customer continues to receive utility services, the City may require the customer to replenish the deposit amount that may be added to the bill upon approval and subject to disconnection for nonpayment.
 - iv. Any customer that elects not to disclose their social security number will be considered a "high-risk," due to our inability to complete the credit check. Deposits will be calculated in the high- risk tier and calculated at (2) two times the deposit amount.

4. **Refund of Deposit.** The City reserves the right to retain deposits indefinitely to assure payment of utility charges. No interest may be paid upon deposited amounts. However, the City may elect to refund deposits in the following situations provided the account is at a zero balance:

- i. Deposits on accounts within 24 consecutive months of good payment history (no late fees, insufficient funds penalties, or service disconnections) may be applied to the existing utility account; or
- ii. Upon customer request for termination of service and City determination that either the residence or business may remain vacant or another responsible person has applied for service.

The City retains the option of effecting refunds by applying to outstanding or future utility charges. No refunds may be made for amounts less than \$5.00.

5. **Temporary/Voluntary Disconnection of Service.** In the event a customer will not occupy a residence for an extended period and requests water to be turned off at the meter, utility base charges may be billed during this time by City ordinance. A premise visit may be charged to turn off the meter at each property/account.
6. **Permanent or Indefinite Disconnection of Services.** In the event, a residence is demolished, condemned, or court-ordered abandoned, the customer/property owner or legal representative may request that the meter on the property be removed at the currently approved charge per the Fee Schedule. The city approved documentation must be received before meter services may be removed. If the meter is removed, and service discontinued, the base charge may not be applied to the account. If the service is not disconnected and the customer resumes using utility services, the City retains the right to bill for past services not to exceed two years.
7. **Sanitation Disconnection.** In the event, a residence is demolished or condemned, or court-ordered abandoned the customer/property owner or legal representative may request that the sanitation containers be removed at the currently approved charge per the Fee Schedule. The city approved documentation must be received before sanitation services may be removed; Charges may discontinue effective the date of City approved documentation has been received in writing to the Customer Service Division. If the service is not disconnected and the customer resumes using sanitation services, the City retains the right to bill for past services not to exceed two years.
8. **Stormwater Disconnection.** In the event, a residence is demolished or condemned, and all impervious surfaces have been removed from the property, stormwater charges may be discontinued upon approval. The city approved documentation must be received before stormwater services may be discontinued. Charges may be discontinued effective the date that City approved documentation has been received in writing to the Customer Service Division. The Stormwater Division or a designee must approve all discontinuance of stormwater charges. The Stormwater Division or their designee may require a site visit to the property to verify all requirements have been completed. If these requirements are not meet the City retains the right to bill for past services not to exceed two years. Additional property visits may be required, after the initial visit, the City maintains the right to charge for each additional premise visits per occurrence.
9. **Meter Tampering.** The City does not allow for any unauthorized person(s) to open a meter box to interfere, alter, tamper with, or bypass a meter which has been installed for the purpose of measuring the use of water or knowingly to use water passing through

any such tampered meter or water bypassing a meter provided by the City for the purpose of measuring and registering the quantity of water consumed. City of Hendersonville Ordinance 52.13. Any meter or service entrance facility found to have been altered, tampered with, or bypassed in a manner that would cause such meter to inaccurately measure and register the water consumed, or which would cause the water to be diverted from the recording apparatus of the meter, shall be prima facie evidence of intent to violate and of the violation of this section by the person in whose name such meter is installed, or the person or persons so using or receiving the benefits of such unmetered, unregistered, or diverted water. Any person(s) not authorized by the City operating any valves on the water distribution system, which included the cut off valve at the meter, hydrants, etc. shall be charged with tampering. Per North Carolina General Statute 14-151.1

- i. Any person violating any of the provisions may be liable to the City any losses and shall also be charged for the cost to repair and or replace any damages sustained. A fine may be charged per occurrence per the most recently approved Fee Schedule.
 - a. First Occurrence-notification letter to the property owner
 - b. Second Occurrence-notification and fine
 - c. Third Occurrence-notification, fine which may include any additional civil or criminal charges including the recovery of water loss or damage to City property.
- ii. If water is cut on illegally after disconnection due to nonpayment of a utility bill, this may cause the removal of the water meter and may result in additional charges. Reestablishing services may incur additional charges which may include deposits, fines, and payment of all charges on the account before reconnection.
- iii. The City may make a reasonable effort to hold tenants responsible for any damages associated, or loss recovery of water usage. However, if the tenant is not available, the landlord or property owners may be responsible for any fines, any damages associated, or loss recovery of water usage.

10. **Waste of water.** Failure to repair utility services within 30 days of detection by the City or property owner, the City may disconnect utility service until the leak has been repaired. Approved City documentation must be submitted and approved before services may be restored. Certified mail notification by the City may be sent to the current owner and occupant of the property on file. Ordinance 52-6.

B. Utility Billing Procedures

The City of Hendersonville Revenue Department bills for Water, Sewer, Sanitation and Stormwater services. Please visit the City of Hendersonville webpage to see the bill cycle schedule.

1. Billing

- i. Bills shall be prepared monthly for each billing cycle. Billing cycles dates are

- based on the service area and are calculated as close to 30 days as practicable.
- ii. Bills are due 15 days from the billing date. Payment may be made by check, money order, bank ACH draft, in cash at the Collections office, or by any other means offered by the City.
 - iii. All bills not paid within 25 days are subject to a late penalty of \$10.00 or 5% whichever is greater of the unpaid balance. If payment is not received and receipted by the 25th day at 5 pm, a late charge may be added to the customer's account.
 - iv. All bills not paid within 45 days are subject to disconnect. If payment is not received by the 45th day before 5 pm, a Nonpayment Service Disconnection Charge, per the most recently approved Fee Schedule, may be added to the customer's account, and the account is subject to disconnection. To restore service, the entire account balance, including fees, must be paid in full.
 - v. If a bill is returned to the City of Hendersonville by the post office or email as undeliverable, the Customer Service Department shall make all reasonable efforts to obtain a forwarding address and correct the address in the Utility records. In the event the bill becomes delinquent, the Revenue Department shall follow the collection efforts below. Customers are responsible for all billing regardless of receiving a monthly bill.
 - vi. Payments may be applied to customer accounts in the following order; fees or miscellaneous charges, sanitation, sewer, and water charges.
 - vii. Sanitation Charges - Every account within the city limits may be billed a Solid Waste Management Charge monthly. Commercial accounts meeting the criteria set by City Ordinance can contract with a private service upon approval from the Public Works Director. The charge may be waived for commercial or industrial properties upon providing documentation of such to the City. Requirements for containers and services may change based on the approved charge per the Fee Schedule.
 - viii. It is the responsibility of the property owner, account holder, or authorized designee to advise the City to whom and to what address bills are to be sent (e.g. new owner or renter). A Utility Billing Change Form is available from the Customer Service Department for any changes that are necessary to update an account. Only an account holder or authorized party can request changes to billing information and statuses.
 - ix. If the City has overcharged or undercharged a customer for service, the City may correct this error subject to the following procedures:
 - a. If the City has overcharged a customer for service, the City may credit the customer's account, without interest, the excess amount and notify the customer by letter. Customers may request a refund of such excess charges if they were previously paid in full. Credit to a customer's account is subject to the following limitations:
 - b. If the time period over which the mistake occurred can be determined, the City should credit or refund the excess amount charged the account for that entire interval, provided that such time period shall not exceed the statute of limitations as set forth in N.C. General Statutes.
 - If the time frame of the problem cannot be determined, the City should refund the excess amount charged during the previous 12 months.

- If an overcharged customer owes a past due balance to the City, the City may deduct that past due amount from any refund or credit due to the customer.
- c. If the City has undercharged a customer for service, the City may collect the additional amount due to the City by billing the account. A payment plan or other payment options may be extended to a customer for repayment of charges billed from prior billing periods. If a customer receives notice of undercharging and does not contact the City to make a payment arrangement for such amount by the subsequent due date, the account may be disconnected for nonpayment in accordance with this policy.
- d. If an undercharge has occurred because of tampering or bypassing a meter or because of other fraudulent or willfully misleading actions of the customer, the City shall collect the entire undercharged amount in a lump sum and seek such other rights and remedies as are permitted by law.

2. Returned payments.

- i. Payments returned due to insufficient funds, closed accounts, or other issues not related to a City error may be charged a fee according to the current fee schedule. If the return was due to City error, the fee may be waived.
- ii. Customers may lose the ability to use a payment method for two years if a payment has been returned due to insufficient funds, closed accounts, or other issues not related to a City error two times in a 12-month period.
- iii. Customers who do not make good on any returned payment and applicable fees may be considered to have not made any payment and may be subject to procedures for late charges and disconnection of service.
- iv. The Revenue Department may also send a letter notifying the customer of these events and request replacement funds or alternative payment arrangements.
- v. Payment return fees may be added to the account and must be paid with other charges to continue Utility service.
- vi. Returned payments made by a customer to avoid disconnection on an account may be subject to immediate disconnection. All fees and account balances including a Nonpayment Service Disconnection Charge may be paid before service is reconnected.

3. Collection of Past Due Utility Charges.

- i. *Accounts 25 days past due.* A cut off notice may be mailed when a bill is 25 days past due. If payment is not received by 5 pm on the 45th day, a Nonpayment Service Disconnection Charge in accordance with the fee schedule in effect at that time may be added to the customer's account. The account may then be disconnected.
- ii. *Accounts over 90 days.* If payment is not received within 90 days, the

The city may take one or more of the following actions, as to the most optimum method of securing payment:

- a. The Revenue Department may send the name, address, and balance due to the City's collection agency or NC Debt Setoff Program.
 - b. The terms of the nonpayment may be communicated to any or all nationally recognized credit reporting agencies.
 - c. Customers may be denied access to Utility services.
 - d. If a sewer-only account is cut-off, Operations Support staff may leave a door hanger at the service address noting the date of disconnection, which must be at least one business day after placement of the notice. Operations Support staff may use spray paint to mark the service connection location in the right-of-way for the excavation crew. If the customer wishes to reinstate service, a charge must be paid for replacement of the sewer tap, based on the schedule rates and fees currently in force, in addition to payment of all past charges.
 - e. Remaining balances on terminated accounts may be transferred to a customer's active utility account for the collection of charges due. These charges may be subject to the disconnection policy and may cause the active account to be disconnected for nonpayment.
- 4. Extended Payment Option.** Payment plans may only be available for the past due to balances related to leaks or accounts that are back billed for previously unbilled usage. Accounts that have past due charges related to regular monthly billing will not be eligible for payment plans. The Revenue Department will review the account to establish a payment plan for the customer. The customer will be required to sign a payment plan form specifying the terms of the payment plan. Customers must continue to pay regular monthly charges plus a portion of the payment billing or a denied leak adjustment. If a customer has any returned, missed or delinquent payments on the account, the payment plan may be voided, and the balance will be due immediately.
- 5. Payment Plan Reinstatement.** Customers may apply for reinstatement one time over the course of the plan payment. Revenue Department may review the request for reinstatement. If reinstatement is granted, all missed payments including any fees must be paid to reinstate the payment plan.
- 6. Deceased Account Holder/ Estate Account.** When an account holder is deceased, a Utility Billing Change Form or New Service Application must be completed in order to transfer an account into the name of the responsible party within 45 days. The City may request legal documentation including, but not limited to, death certificates, wills, or other legal documents to process the utility billing change request. If the City of Hendersonville receives notice or determines that an account holder is deceased, notification of account closure may be mailed to the address on record. The letter may set forth a date in which a Utility Billing Change Form must be received to continue services at the location of the deceased account holder. If the responsible party is not the property owner, an Application for Utility Services must be filled out and the application process must be completed in accordance with this policy.

An account may be transferred into the ownership of an estate. A Utility Billing Change Form is required, and the City may request legal documentation from the executor or the person responsible for administering an estate. It is the responsibility of the executor or other person administering the estate to notify the City of any changes in account status. The City of Hendersonville may allow an account to remain in the name of an estate for a period of 4 months from the date of service connection. It is the responsibility of the executor or administrator of the estate to either disconnect or transfers ownership of the account into the name of a responsible person prior to this date. If an application has not been processed to transfer ownership of the account in the timeframe specified, services may be disconnected without further notice.

7. **Service Call Charge.** A service call charge may be charged for services performed by City staff that is not deemed necessary by the City. Such services include, but are not limited to, re-reading of meters, checking a meter for a possible leak, shutting meter off more than two times during any single leak event while leak on the customer's side is being repaired and the testing of meters for accuracy. The City may charge a service call charge for services that require multiple visits to a property. Such services include, but are not limited to, leaks, temporary disconnection for repairs or any other services.

C. **Consideration of Credits and Refunds**

1. **Refunds.**

No refunds less than \$5.00 may be made on a customer's account.

2. **Credits.**

- i. **Filling Swimming Pools**

The City does not allow adjustments for filling pools or spas. Customers can apply for a separate irrigation meter to fill pools or spas which may not charge for sewer usage.

- ii. **Leak Adjustments**

The customer is responsible for leakage in the piping on his/her property on his/her side of the water meter and will be charged for water and/or sewer based on water use as indicated on the meter. This is being defined as that point at which the customer's plumbing connects either directly to the meter box or the customers shut off valve connects directly to the meter box. The City does not repair leaks on the customer's side of the water meter. The City of Hendersonville may allow credit for utility charges resulting from leaks on the customer's side of the meter.

1. Credit may be extended to the customer's account/property only once every 24 calendar months upon approval.
 2. Customer must submit a completed Leak Adjustment form within 30

- days of leak detection either by the City or the customer.
3. The customer must provide to the City of Hendersonville an invoice from a licensed plumber for repairing the leak(s). This must be accompanied by a statement confirming that a leak (or multiple leaks) had been repaired, and a description describing where the leak(s) occurred.
 4. A customer may make their own repairs. If a customer makes their own repairs, all receipts for parts and pictures of the leak site prior to repair and after completion are required to be sent to the City for approval.
 5. Leak adjustments may be calculated based on one and one half (1 ½) times the residential customer's average monthly consumption amount. Average monthly consumption is based on the twelve (12) month average prior to the month showing excessive use. If previous consumption is less than 12 previous months, the City may require 3 additional months of normal usage before adjustment calculation can be processed.
 6. No credits or adjustments of \$ 5.00 or less may be given unless the cause for the credit or adjustment is an error by the City of Hendersonville.