

# **NOTICE**

On September 1, 2016 the Town of Leland has revised our Administrative Policy and Procedures Manual for Billing and Collections. The revised copy can be found on the Town of Leland web page [www.townofleland.com](http://www.townofleland.com) under Public Utilities. If you should have any questions or concerns, please feel free to contact Yulia Blankenship at 910-332-5000 or [utilities@townofleland.com](mailto:utilities@townofleland.com)..

Sincerely,

Jimmy Strickland

Public Services Director

Town of Leland

Office: 910-332-4651



# **ADMINISTRATIVE POLICY AND PROCEDURES MANUAL FOR UTILITY BILLING AND COLLECTIONS**

IMPLEMENTED ADMINISTRATIVE POLICY AND PROCEDURES MANUAL FOR UTILITY  
BILLING AND COLLECTIONS  
EFFECTIVE JUNE 1, 2016



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**1.0 FORWARD**



This Administrative Policy and Procedures manual is intended for use as a guide to the Town of Leland's Utility Billing and Collecting methods and practices. When used properly and with common sense, the policies and procedures established herein will enable the Town to bill and collect utility service provided by the Town of Leland, fairly, efficiently and economically while providing great customer service.

While this manual may not answer all questions related to Billing and Collecting, it does provide the foundation for a sound Billing and Collecting process.

The purposes of the Town's billing and collecting policy are:

1. To professionally administer billing and collecting practices while complying with legal and ethical requirements.
2. To promote good and effective customer relations, cultivated by informed and fair practices and strict maintenance of ethical standards.
3. To establish and charge reasonable and economical Utility Rates and other charges which are sufficient for the Town to operate and maintain the Utility Fund as a financially self-sustaining Enterprise and to assure continued, uninterrupted utility service to all customers.

If the procedures and guidelines established in this manual are followed, the Utility Billing and Collections Department can efficiently bill and collect revenues, provide fair and effective customer service to all utility customers.

Should you have any questions about this manual or its' procedures, contact the Utility Billing & Collections Department/Finance Department.

## **2.0 DEFINITIONS, APPLICABILITY AND AMENDMENTS**

### **2.1 DEFINITIONS**

The following words, terms and phrases, when used in these Rules and Regulations, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Application for service* shall mean the written application required by Article 3.1 of these rules and regulations.

*Backflow* shall mean the reverse flow of water or other liquid, gases or other substances into the distribution piping of the Town from any source or sources.



*Base fee* shall mean a monthly payment charged by the Town to each owner for making utility service available which shall be payable regardless of whether the owner takes any services from the utility system.

*Commercial service* shall mean utility service provided to a school, multi-family dwelling, mobile home park, business, industry, public building or public park.

*Debt service* shall mean the sum of money required to pay installments of principal and interest on bond or other obligations of the Town in a fiscal year.

*Impact fees* shall mean a fee levied and collected to cover the cost of future capital improvements made to the utility system.

*Irrigation service* shall mean service restricted only for the purpose of irrigation.

*Leak adjustment policy* shall mean the provisions for adjustment of utility bills on account of leaks set out in Section 6.5 hereof.

*Meter testing charge* shall mean the charge for which an owner is responsible for the testing of the meter measuring service to the owner.

*Owner* shall mean simple owner of real property who makes an application for service to the Town and connects to the utility system, whether or not the owner (or the owner's tenants, guests or licensees) takes service from the utility system.

*Owner's service facilities* shall mean the utility service facilities owned by an owner and commencing at the connection on the owner's side of the Town's meter and servicing the facilities of such owner, including pipe, private cutoff valves, backflow prevention device, pressure reducing valve and other components.

*Rates and fee schedule* shall mean the rates and fee schedule adopted by the Town.

*Reconnection charge* means a fee charged by the Town for reconnection of utility service after it has been terminated for non-payment of a utility bill.

*Residential service* shall mean service through a one-inch or smaller meter serving a single-family dwelling or church.

*Security deposit* shall mean amounts required to be deposited with the Town as security for payment of utility bills.



Sewer System shall mean a facility consisting of a system of sewers for carrying off liquid and solid waste.

*Tap-on fee* shall mean a separate charge compensating the Town for installation of the Town's service facilities required for service to an owner.

*Town's service facilities* shall mean those facilities of the utility system, which have been identified by the Town in its sole discretion as directly, or indirectly benefiting only the owner using them and generally include the meter, meter box, and cut-off valve related to providing utility service to an owner.

*Transmission Capital Recovery Fee* shall mean a fee charged to regain the invested capital over the life of an investment. No profit or income on the investment may be determined until the full amount of invested- capital is recovered.

*Utilities* shall mean a business enterprise, as a public-service corporation, performing an essential public service and regulated by the federal, state, or local Government.

*Water rate* shall mean the water rates of the Town established pursuant to Article 5 of these rules and regulations.

*Water system* shall mean the water supply facilities owned by the Town at any time.

## **2.2. Amendments.**

The Town may from time to time amend these Rules and Regulations. No agreement of the Town shall be binding unless in writing by Town Manager and approved by Council.

## **2.3. Applicability.**

These Rules and Regulations, as amended, shall be binding on every owner.

## **3.0 UTILITY SERVICE**

### **3.1. Application for service.**

Any potential owner desiring utility service must make application for utility service to the Town upon forms to be supplied by the Town, setting forth in detail the type of service requested, the location of the property to be served, and such other information as the Town may require. Accounts must be set up by property owner; renters will be allowed to set up rental accounts by providing a copy of lease agreement. If the applicant or other members of the applicant's household had a previous account with the Town, that account must be paid in full prior to establishing new service.



### **3.2 Collection and Use of Social Security Number**

- (a) S. L. 2005-414 (S1048), section 4, prohibits government agencies from collecting a social security number (SSN) from an individual unless the collection of the social security number is authorized by law or otherwise imperative for the performance of the agency's duties and responsibilities as prescribed by law. It also provides that social security numbers shall not be collected until and unless the need for the social security number has been clearly documented.
- (b) The Town of Leland collects social security numbers from utility customers for verification of identity as an aid in our identity theft prevention procedures and for collection of unpaid bills, including the North Carolina debt set-off program.
- (c) The disclosure of a social security numbers by potential customers is voluntary. The maximum security deposit must be paid by all customers who choose not to disclose their social security number.

### **3.3 Landlord as Responsible Party**

After two defaults on utility fee payments within a two year time period at a rental property, the owners of the property will be required to establish service in owners' names for that address.

### **3.4 Revert-to-Owner Contract**

Allows property owners and managers to maintain continuous utility service while a rental unit is vacant. A contract is created between the Town and the property owners and is valid for one year unless the property is sold before a one year mark. Exhibit C.

### **3.5. Initial fees.**

The application for utility service shall be accompanied by any applicable security deposit, tap-on fee, impact fee and other required fees and charges.

### **3.6. Avoid Additional \$50 'Not Ready' Fee**

There will be an additional \$50.00 Meter Set Return Trip Fee (Not Ready) for each address that does not meet code.

Prior to requesting a meter set, be sure that:

- (a) The Utility Connection Permit has been obtained
- (b) The property is in compliance with Town Code
- (c) The property is ready for meter installation

### **3.7. Rejection of application.**



The Town may reject an application for utility service:

- (a) If the applicant seeks utility service not within the scope of services offered by the Town.
- (b) If the providing of utility service involves excessive costs or is otherwise not feasible.
- (c) If the provision of utility service may adversely affect the quality and quantity of utility service the Town is able to provide to existing customers.
- (d) If the applicant intends to resell the water.
- (e) If the applicant or other members of the applicant's household are delinquent in payment of bills incurred for service previously supplied at the location for which utility service is sought or incurred for service previously supplied at any other location.
- (f) If anyone on a lease or a deed owes outstanding balance on the previous service with the Town, no new account will be established until the balance is paid.

**3.8. Irrigation service.**

Water supplied for irrigation service may not be used by an owner for potable or domestic use. No pipes or other owner service facilities intended for potable water service shall be connected to any meter dedicated only for irrigation service. If water supplied through a meter dedicated solely for irrigation service is being used for potable or domestic water use, the owner shall be required to pay the applicable base fee and water rates for potable water for the 12-month period immediately preceding the date in which it is discovered or the period of actual service if the irrigation service meter has been installed for a shorter period.

The customer may make a written request to the Town to remove an irrigation meter if for some reason they wish to give up use of their system.

The customer may make a written request and pay a service fee for the reinstallation of an irrigation meter.

**4.0 CONNECTIONS, METERS AND OTHER SERVICE FACILITIES**

**4.1. Water service metered.**

Each owner shall be supplied through a separate meter or, if necessary and at the option of the Town, through a separate battery of meters. Where a battery of meters is installed, the registrations of such meters shall be combined for billing purposes and shall be subject to a minimum charge equal to the combined minimum charge for the meters comprising the battery setting. Where, however, an owner is supplied through more than one service, unless otherwise agreed to by the Town, the registration of the meter installed on each service shall be billed separately, subject to the minimum charge for each meter.



**4.2 Metered Usage at Vacant Property**

The property owner is responsible for all water that registers on the water meter reading, even if the property is listed as vacant.

**4.3. Control and maintenance of Town equipment.**

The Town service facilities and all supply lines, and other equipment of the Town shall be under its exclusive control, and no persons other than authorized employees, agents or contractors of the Town, shall repair, change, tamper or interfere with them in any way. It is unlawful for any person to tamper with or bypass a water meter. Tampering with a meter shall include, but not be limited to, the unauthorized entry into locked meter vaults by key or otherwise.

Meters and other Town service facilities will be maintained by the Town at its expense insofar as ordinary wear is concerned, but damage to any meter or other Town service facilities due to hot water, freezing, vehicular traffic, or other external causes arising out of or caused by the owner's service facilities, operations, negligence or carelessness shall be paid by the owner. The amount of such damage or the cost of repairs shall be added to the first water bill of the owner; rendered after the amount of the damage or the cost of the repairs are ascertained by the Town. Payment of such amount may be enforced in the same manner as payment of utility rates.

**4.4 Tests.**

The Town may at any time remove any meter for routine tests, repairs or replacement. The Town shall upon request of an owner, test the accuracy of the meter in use, provided the meter has not been tested by the Town within a period of three (3) months previous of such request, and that the owner will agree to abide by the results of such test in the adjustment of disputed charges. If the meter is shown to have an error as described in Section 4.4 hereof, the Town will replace or correct the meter at no charge to the owner. If the meter has no such error, the owner will pay a meter testing charge in accordance with the rates and fee schedule. See Exhibit A.

**4.5. Error.**

Whenever a test of a meter reveals it to have an average error of more than two percent (2%), the Town shall bill or refund to the owner, as the case may be, such percentage of the amount reflected on bills covering the consumption indicated by the meter for the previous three (3) months, as the meter was found to be in error at the time of test, unless it can be shown to the satisfaction of the Town that the error found had existed for a greater or lesser period, in which case the adjustment shall cover such actual period.

**5.0 RATES, FEES AND CHARGES**



**5.1. Rates and fee schedule.**

The rates and fee schedule are incorporated in and shall be a part of these rules and regulations. See Exhibit A.

**5.2. Other fees and charges.**

The Town may from time to time adopt and impose tap-on fees, impact fees, and such other rates and charges as it deems appropriate, the amount of which shall be set forth in the rates and fee schedule. Tap-on fees and impact fees shall be paid at the time of application for service. See Exhibit A.

**5.3. Security deposit.**

Each owner shall make a security deposit at the time of application for service. The deposit will be the same for every customer, whether a customer is renting or owning the property. See Exhibit A.

When the service address is occupied jointly, both names must be listed on the application.

Security deposits shall be used upon termination of utility services to cover an owner's delinquent utility bill. If the Town in its sole discretion considers a potential owner to be a credit risk or if an owner's utility service has been terminated for failure to pay a utility bill when due, the Town may require the owner, as a condition of service or of reconnection, to pay double the security deposit required in the rates and fee schedule. Security deposits shall not draw interest and are refundable after 12 months of satisfactory payment history (with no more than 2 past due payments, no return checks and no delinquent disconnects) or when service is terminated, any unused portions of the security deposit shall be refunded. Security deposits will be refundable in a form of a check if a customer does not have a current balance or be applied to the account if there is an outstanding balance.

Any past due amount becomes past due from the previous location will be added to the current new account.

- (a) However, a deposit will be required to continue service if the customer account is included on the cut-off list two consecutive months or three nonconsecutive times within one year. A deposit will be required to continue service if the customer's automatic bank draft or check is returned two times within the most recent twelve-month period.
- (b) Any customer choosing not to provide the Town with a valid social security number will be required to pay cash deposit at the highest level for the category of service.



- (c) The past due balance from customers previous service location with the Town will be transferred to the account at the new location. Service will be terminated if merged account balance is not paid in full within 30 days from the date of transfer.

At discontinuation of service the final bill will be paid by applying the deposit to the outstanding balance. A check will be processed for any remaining portion of the deposit and mailed to the account holder(s) at the address on file. It is important to provide our Utility Department with a forwarding address and phone number so the check will not be delayed or returned. The Town of Leland remits unclaimed deposit funds to the State of North Carolina Unclaimed Property Fund.

## **6.0 BILLING AND COLLECTION**

### **6.1. Bills.**

Customers shall be billed for utility usage during a specified billing period, along with all other applicable fees and charges according to the established schedule of rates and fees. See Exhibit A.

Utility bills are mailed about the same time each month and a customer should notify our Utility Department if they do not receive a bill at the usual time.

All bills shall be sent to the billing address shown on the application for utility service unless an owner notifies the Town in writing of some other address to which bills are to be mailed. Failure to receive bills will not be considered justification for nonpayment of amounts due or permit an extension of the date when the account would be considered delinquent. The Town may at any time correct any bills for service, which may be in error or in accordance with the leak policy, section 6.5.

The due date is generally the fifteenth of each month, unless the fifteenth falls on a weekend or holiday and is printed on the billing statements. If payment is not received by the day after the due date, a 10% late penalty is applied to the account. If payment is not received by the due date of the bill the following month, the service is subject to disconnection. Town personnel will place a red notification tag at the customer's door when service has been involuntarily suspended for nonpayment. The nonpayment fee is charged to recover some of the costs of extra work and trips to the account location caused because the bill remains unpaid.

Involuntary discontinuation of service may result for the nonpayment of charges arising under the current service contract or any other contract for utility services. The past due balance from the customer's previous service location will be transferred to the account at the new location.



An account where a security deposit has been paid will be automatically finalized when a balance remains unpaid after involuntary disconnection of service. The deposit will be applied to the amount due and the customer will receive a refund for any remaining balance of the deposit. The customer will remain responsible for any balance still due after the deposit has been applied. The customer will then be required to apply for new service and pay a new security deposit at the rate currently in effect.

Delinquent accounts may be sent to a collection agency or to the Debt Set-Off Program, where amounts due to the Town may be deducted from the customer's state income tax refund or lottery proceeds. Information supplied on the customer application for service, including social security number, may be reported to the state or other collection agency for use in collection efforts.

Each unit of a multi-family parcel and each mobile home in a mobile home park will be treated as a single-family unit and each unit will be responsible for all applicable Rates, Charges, Fees and penalties pursuant to these Rules and Regulations

**6.2. Payment.**

By applying for utility service, an owner agrees to pay the rates, fees and charges of the Town in accordance with these rules and regulations.

All payments must be made thru the billing office or designated collection services and sites of the Town.

Customers providing checks that are returned for non-sufficient funds, closed accounts, or stop payments shall be notified on their next bill and all applicable fees shall be charged to the account. At any time after an owner has presented a second returned check for the payment of any utility bill, the Town may require that payment be made only in cash, by money order, or by certified check.

**6.3. Uncollectible Accounts Receivable.**

Accounts delinquent more than 365 days/12 months of the due date shall be presented to Council in June of each year to be charged off. The town will use all remedies available for collection of the charged off accounts.

**6.4. Broken seals, meter failures.**

If a meter seal is removed other than by Town personnel or if a meter fails to register correctly or is stopped for any cause, the owner agrees to pay each billing period an estimated water rate based on the average water usage for the immediately preceding 12-month period, or such shorter period of actual use.



**6.5. Adjustments for leaks.**

Any owner desiring an adjustment for a leak shall fill out a leak request, notifying the Town of the existence of the leak and provide evidence of its repair. See Exhibit C. Upon determining that the leak existed, and the duration of the period of the leak, the Town will, give a credit based on average of 6 months usage or such shorter period of actual use.

**Pool Adjustments**

For pool adjustments there will be a minimum of 6000 gallons usage charged or if greater than minimum owner must provide proof of size of the pool and this shall be limited to one time per calendar year deducted from sewer only.

**7.0. REDUCTIONS, INTERRUPTIONS AND DISCONTINUANCES**

**7.1. Shut off for default.**

If payment is not received by the due date of the bill the following month, the service is subject to disconnection.

If the utility bill remains unpaid for 60 days after service is suspended, then service may without notice be terminated. The Town may also discontinue service after 30 days notice when an owner violates any of these rules and regulations and fails to remedy or cure such violation within the 30-day notice period.

**7.2. Restoration of service.**

When utility service has been suspended for nonpayment of bills, utility service will be restored upon payment in full of all delinquent bills, any current bill that is due and the payment of a reconnection charge in accordance with the Town's rates and fee schedule. See Exhibit A.

The Town shall not be responsible for any damages that may result from reconnection in the absence of the customer. The Town's Building Inspection Department will be notified, prior to reconnection, if the service reconnection is for a food service provider.

When utility service has been terminated (as opposed to suspended) for failure to pay a utility bill, in addition to the requirements of paragraph above, the owner shall execute a new application for service and pay a new security deposit, which the Town may elect to double pursuant to the provisions of Article 5.3 hereof.

**7.3. Termination of service by owner.**

The Town will terminate service as soon as possible after receiving a written request signed by the owner. The account balance should be paid in full before discontinuing the service. The account holder must provide a forwarding address



for proper settlement of the account. The account holder is responsible for all metered usage up to the date the Town disconnects and takes the final meter reading. Water/Sewer bill charges are billed in arrears, therefore the final bill may not be sent for up to a month after the final reading is taken. If the customer has a deposit, the Town will apply the deposit to the final bill and remainder of the deposit will be returned to the customer, providing the deposit balance exceeds \$3.00.

Customers who do not provide the Town with a notice of intent to discontinue service remain responsible for utility charges until the Town finalizes the account, even if no usage is registered on the meter. The Town will finalize the account when service has been suspended due to nonpayment of previous bills.

**7.4. No liability.**

The Town shall not be liable for damage of any kind resulting from water and wastewater or the use of water on the Customer's property. The Town shall not be responsible for damages done by or resulting from any defect in the piping, fixtures, and/or appliances on the Customer's property. The Town shall have no liability on account of interruptions of service, erroneous shut-offs, failure to deliver water or failure to deliver water at any particular (high or low) pressure. The Town shall not be responsible for negligence of third parties or forces beyond the Town's control resulting in any interruption of service. Otherwise, under normal conditions, all potentially affected customers shall be notified in advance of any interruption of service.

**8.0. Errors in Bill.**

**8.1. Customer Requests.**

A Customer considering his water bill in error shall, before the bill becomes delinquent, provide the Town of Leland's billing department a written statement of the reasons he considers the bill to be in error. Upon receiving such notice, Town of Leland will hold the disputed bill in abeyance and present the matter for consideration to the Public Utilities Director. The Customer shall pay the bill in full within 10 days after the final decision concerning the matter has been made.

If a Customer presents to Town of Leland a written notice required by Section 8.1 after the bill has become delinquent but before service is discontinued for nonpayment of the bill, the matter may be considered provided the bill is paid in full at the time of written notice. If an adjustment is required a credit will be applied to the account within 10 days after the final decision.



**Department of Finance and Administration**  
Utility Billing and Collecting Policy and Procedure Manual

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