

## ORDINANCE NO. 299

### AN ORDINANCE TO REGULATE THE UTILITY BILLING AND COLLECTION POLICY WITHIN THE CITY LIMITS OF ARLINGTON

THE CITY COUNCIL OF THE CITY OF ARLINGTON, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH AND WELFARE, HEREBY ORDAIN AS FOLLOWS:

#### SECTION 1. DEFINITIONS

For purposes of this ordinance, the following words and phrases shall have the meaning as defined by this section:

- A. **Bill** – means the statement of account for municipal utility services rendered by the City to a customer and due and payable to the City by the customer.
- B. **City** – means the municipal corporation known as the City of Arlington, Minnesota, and any designated agent authorized to act on behalf of the City.
- C. **Customer** – means any person, firm, corporation or entity to which the municipal utility services are rendered.
- D. **Delinquent Customer** – means any person, firm, corporation or entity who fails to pay any current charges or portion thereof for any municipal utility by the close of the business on the 20<sup>th</sup> of the month following its original due date.
- E. **Limited Metering** - a metering device/service that is designed to allow minimum usage/demand. If available, this service connection would apply to customers who have a delinquent account and are subject to disconnection. This type of connection would be within the compliance requirements of all Cold Weather rules. The City reserves the right to apply this connection and service as it sees fit.
- F. **Municipal Utilities** – means the water, sewer, storm water/sewer or electric departments or systems of the City of Arlington, Minnesota, or any combination thereof.
- G. **Past Due Amount** – means any current charges or portion thereof for any municipal utility which remain unpaid past the due date of the bill on which such current charges first appear.
- H. **Disconnect** – means the water or electricity services shall not be made available to any person, firm, corporation or entity due to non-payment.
- I. **Payment Arrangement Agreement** – means a contract between the customer and the City allowing the customer to make payments to the City to pay any current charges or portion thereof for any municipal utility by a determined date.

#### SECTION 2. UTILITY BILLING POLICIES AND PROCEDURES

The City of Arlington provides water, sewer, storm water/sewer and electricity services to residents of the City; including private homes, apartments and commercial users. The City of Arlington has water and electrical meters at each service location to monitor the amount of usage at that site. Bills are based on meter readings, submitted readings, or on estimated consumption, if necessary.

#### SECTION 3. UTILITY BILLING

There is hereby created a utility billing section within such department(s) as may be designated by the City Council. The billing section shall be responsible for the calculation and rendering of all municipal utility bills. The utility billing section shall maintain account records for each customer that includes the customer's name, billing address, service address, current charges and account history including past due charges, penalties and fees.

The City shall bill the owners of the property served by utility services. In the case of residential and commercial rental property, the renter shall be the party billed for the utility services upon

properly setting up a utility account with the City. The owner and/or renter in these situations are hereafter referred to as the “customer”.

In situations where rental property consists of two or more units, all of which are monitored by one meter, the city shall contract with the owner of the property to bill the owner for the utility services provided to the jointly metered building or complex.

#### **SECTION 4. RATE ORDINANCE**

All municipal utility charges shall be calculated in accordance with the specific service rate ordinance applicable to each municipal utility or service rendered to a customer. All fees and charges imposed may be changed from time to time by resolution of the City Council.

#### **SECTION 5. MONTHLY UTILITY BILL**

The utility billing section shall provide each municipal utility customer a combined monthly municipal utility bill which shall include the charges incurred by the customer for regular monthly water, sewer, storm water/sewer and electricity services or any combination thereof, plus any fees, penalties or previous balances. Each municipal utility shall be designated as a separate entry on the billing statement. Bills for municipal utility services provided shall be rendered and paid monthly.

#### **SECTION 6. EXTRA SERVICE BILLS**

Billings for any extra services, installation charges or other special charges shall be rendered in accordance with the applicable utility or service rate resolution and shall be included on the appropriate monthly billing statement or as a separate bill.

#### **SECTION 7. PAYMENT METHODS**

Payments can be made by mail or in person at City Hall, 204 Shamrock Drive, or deposited in the payment box also located at 204 Shamrock Drive. Customers can also pay their bill on-line anytime, by accessing the City Website at [www.arlingtonmn.com](http://www.arlingtonmn.com) and clicking on RevTrack on the home page.

Arrangements can be made to have a customer’s bills paid directly through a checking or savings account. Inquire in City Hall to complete an Auto Bank Authorization Form.

#### **SECTION 8. BILLING CYCLE**

- A. **Meter Reading Date** – Meters shall be read as close as possible to the 15<sup>th</sup> of the month, but may range between the 12<sup>th</sup> and 19<sup>th</sup> day of the month.
- B. **Billing Period and Due Date** – Monthly billings shall be rendered by the 1<sup>st</sup> day of the month following the period in which municipal utility services are provided. The total bill shall be due and payable by the close of business no later than the 15<sup>th</sup> day of the month in which services are billed. If the due date falls on a holiday, Saturday or Sunday the due date shall be at 8:00 a.m. on the first business day following the holiday or weekend. Payments can be deposited 24 hours a day in our payment box at City Hall to ensure they meet the 8:00 a.m. deadline.
- C. **Late Fees** – If a bill is not paid on or before the close of business of the 20<sup>th</sup> day of the month in which a bill is rendered, a late charge equal to 5% of the current bill amount (minimum of \$1.00) shall be added to the account balance.
- D. **Disconnection Notice Issuance** – If a bill is not paid by the first business day of the month following the month in which the original billing was made, the City shall send a disconnection notice along with the current bill, by first class mail to the customer. The disconnection notice will state the past due amount on the customer’s account, plus

applicable reconnection fees if not paid by the specified date (on or before the 15<sup>th</sup> of that month).

- E. **Final Disconnect Warning** – If payment is not received by the initial disconnection notice due date, a final disconnect warning will be served by the Arlington Police Department on the delinquent customer, but if the customer cannot be found at the metered location, then said warning will be served on any adult person found at that location. Said final disconnect warning will be served at least two days prior to the actual disconnection. If no adult person can be found at the location to be served with the final disconnect warning, it shall be sufficient to post said disconnect warning on the primary entry doorway to the location. In the case of a residence, the primary entry door shall be considered the front door of the residence.
- F. **Disconnection Date** – If a bill is still not paid by the close of business on the 20<sup>th</sup> of the month following the month of its original due date, it will be considered delinquent, and the City Administrator shall order a disconnection of the customer’s municipal utility service(s).

### **SECTION 9. DISCONNECTION OF DELINQUENT CUSTOMERS**

Any customer whose bill remains unpaid at 5:00 p.m. on the 20th day of the month following the month of the original due date, shall be considered delinquent. Any customer who is delinquent on any municipal utility (water, sewer, electricity) or any combination thereof may be disconnected from the municipal utility system; and once disconnected shall not be reconnected or reinstated until payment of all charges, penalties and reconnection fees necessary to bring the account(s) to a current status has been made.

Delinquent utilities may also be certified and assessed to property taxes to be collected in the same manner as special assessments and other taxes. For those properties that cannot be assessed, other methods to collect delinquent or unpaid utilities will be utilized (i.e. a professional collections agency, Minnesota Revenue Recapture).

During the months of October 15 to April 15, limited metering will go in effect for delinquent accounts. Business accounts are exempt from the “Cold Weather Rule”.

### **SECTION 10. MUNICIPAL UTILITY SERVICE APPLICATION**

Any person, firm or corporation desiring to set up any municipal utility service or combination thereof shall make application for said service(s). The application shall be on such form(s) as may now or hereinafter be prescribed by the City. The application may include the applicant’s name, co-applicant’s name, service address, mailing address, landlord’s name, telephone number, personal identification number (e.g. social security number, driver’s license number and date of birth) or federal identification number (business), and signature of the party responsible for payment. A copy of a photo ID of the responsible party is also required. Persons applying on behalf of others, or acting as an agent for others, may provide the required information provided such agent agrees to assume responsibility for the person, firm or corporation upon whose behalf they are applying. Each service location shall be considered a separate account.

A meter deposit is required of any rental party, at the time of application for utility service. The meter deposit amounts are equal to two months average use of previous tenant. Special deposit will apply under city rules for designated rental complexes as listed in the annual fee schedule, as adopted by the City Council. Upon termination of service, the meter deposit and interest will be applied to the tenant’s final bill. If deposit funds remain, said balance will be refunded to the customer within 30 days, to the forwarding address provided to the City. If the meter deposit is not sufficient to pay the final bill in full, the tenant accepts responsibility for any

remaining charges. Interest is paid on all deposits over \$20 held by the City and the interest rate is determined each year by the Minnesota Department of Commerce.

### **SECTION 11. DISPUTED UTILITY BILLS**

A customer may request a face-to-face conference regarding any dispute over a proposed disconnection of service before the City Council to hear such matters. This conference must take place before the scheduled disconnection.

A customer may request a face-to-face conference with the Deputy Clerk to consider a payment plan that would bring a utility account current within a reasonable timeframe. If a customer fails to make good on any term and/or condition contained within the Payment Arrangement Agreement, the customer's utility services may be disconnected immediately.

A customer, who feels the total usage reflected on their account for municipal utilities is incorrect, may request to have the City re-read their meter. A customer requesting to have their meter re-read must allow the City employee or contractor, access to the meter location at an agreed upon time during the course of City Hall normal business hours.

### **SECTION 12. SERVICE CHARGES**

The following additional fees shall be charged for services provided by the municipal utility, which may be changed from time to time by resolution of the City Council:

- A. In 2015, reconnection of service due to nonpayment of bill:
  - \$25.00 (Water) from 8:00 a.m. to 2:30 p.m. – Monday to Friday (excluding holidays)
  - \$50.00 (Electricity) from 8:00 a.m. to 2:30 p.m. – Monday to Friday (excluding holidays)
  - \$250.00 (Electricity) After Hours.
- B. In 2015, returned check fees:
  - \$30.00 per occurrence, plus any bank fees.
  - For returned checks, the customer shall pay, by cash or money order, the amount of the returned check(s) plus the returned check fee(s).
  - After a returned check has occurred, the customer may be required to pay all current and future payments by cash or money order until notified otherwise.

### **SECTION 13. COLD WEATHER RULE**

The Minnesota Cold Weather Rule is designated to assist people who have trouble paying their utility bills during the winter months. The Rule was issued by the Minnesota Public Utilities Commission (216B.097 and amendments thereto). The Minnesota Cold Weather Rule applies from October 15 to April 15.

The full text of the Minnesota Cold Weather Rule can be obtained at the City Office.

The Cold Weather Rule does not prohibit winter shut off. A customer is to contact City Hall promptly if they receive a disconnection notice.

### **SECTION 14. COLD WEATHER RULE PAYMENT OPTIONS**

The following options are available if the customer receives a notice of disconnection:

#### **Inability to Pay Plan**

A residential customer can qualify for the Inability to Pay Plan if:

- 1) They are current or reasonably on time with a payment plan as of October 15; and
- 2) Meets Income Guidelines as set by the State; and
- 3) Are willing to make payment arrangements.

If a customer qualifies for Inability to Pay, the City of Arlington cannot disconnect their utility service between October 15 and April 15.

### **Ten Percent Plan**

To qualify for the Ten Percent Plan a residential customer must be one who:

- 1) Was not current or reasonably on time with a payment plan as of October 15; and
- 2) Meets income guidelines set by the State; and
- 3) Agrees to pay the lesser of ten percent of monthly household income or the full amount of the current bill, not including arrears.

If the residential customer qualifies for the Ten Percent Plan and can make their required monthly payments, the City of Arlington cannot disconnect the customer's utility service between October 15 and April 15.

If a customer receives service from more than one utility, payment will be divided among the utilities. The utility providing the major portion of the energy costs from October 15 to April 15 will receive 70 percent of the 10 percent amount. All other utilities will receive equal portions of the remaining 30 percent.

### **Reconnection Plan**

If the City of Arlington has shut off a customer's utility service on or before October 15, they may qualify for the Reconnection Plan. To qualify, a residential customer must meet all three conditions:

- 1) Was not current or reasonably on time with a payment plan as of October 15; and
- 2) Meets income guidelines set by the State; and
- 3) Agrees to pay the total amount owed plus the current utility bill in monthly payments. The customer is not required to pay more than ten percent of their monthly household income.

If a customer qualifies for the Reconnection Plan, their utility service will be restored. If the customer continues to pay, the City cannot disconnect the customer's service between October 15 and April 15.

## **SECTION 15. PAYMENT ARRANGEMENT AGREEMENT**

The City of Arlington offers a payment schedule to delinquent residential customers of all income levels who are willing to make payment arrangements. The City may enter into a written Payment Arrangement Agreement for a customer's municipal utility bill on a case-by-case basis. Verbal agreements will not be accepted. If the customer continues to make their payment arrangements on time, the City will not disconnect the customer's service. Failure to keep payment arrangements, will result in an immediate disconnect. Under this plan, a customer may change its initial payment schedule in writing, if done before the disconnection, with approval of the City of Arlington.

## **SECTION 16. MEDICALLY NECESSARY ELECTRICITY EXEMPTION**

The Medically Necessary Electricity Exemption is designated to protect a customer from electricity shut off where life-sustaining medical equipment requiring electricity is in use. The Rule was issued by the Minnesota Public Utilities Commission (216B.098 and amendments thereto).

The full text of the Medically Necessary Electricity Exemption can be obtained at the City Office. Certification of the necessity for service is required.

**SECTION 17. ALTERNATIVE ASSISTANCE PROGRAMS**

If a customer has difficulty paying their utility bill, local agencies may be able to provide payment assistance. The City of Arlington recommends one of the following:

- Minnesota Valley Action Council, Sibley County Office ..... 507-237-2981
- Sibley County Human Services ..... 507-237-4000
- Heat Share (Salvation Army) ..... 888-999-1568

**Third Party Notification**

Third Party Notification applies to all customers. This program benefits those who live alone, persons with disabilities, senior citizens, customers who do not read English, as well as renter/landlord situations.

The purpose of the program is to notify a third party, along with the customer, that a disconnection notice has been sent. A third party could be a friend, relative, church or community agency. Although the third party is notified of the proposed disconnection, they are not required to pay the bill(s). The third party is able to receive and give information about the personal circumstances of the customer and make a payment plan with the City of Arlington for the customer. This helps avoid the hardship that would result from service being disconnected. To name a third party, please complete a Third Party Notification form.

**SECTION 18. MINNESOTA EXTREME HEAT LAW**

The Minnesota Extreme Heat Law protects customers who are unable to pay their utility bill from being disconnected during an excessive heat watch, heat advisory, or excessive heat warning issued by the National Weather Service.

**SECTION 19. OBSTRUCTIONS**

It shall be prohibited for any person to obstruct access to a municipal utility water meter, electric meter, meter reader or curb stop whether in a public right-of-way or on private property. Should any person, in violation of this section, refuse to remove an obstruction within 24 hours after written notification to do so, the City shall cause such obstruction to be removed at the owner's expense including but not limited to towing and storage charges for vehicles by following the abatement process.

**SECTION 20. EFFECTIVE DATE**

This Ordinance is effective upon its adoption and publication as prescribed by law.

Adopted by the City of Arlington on the 18<sup>th</sup> day of May, 2015.

For City of Arlington:

\_\_\_\_\_  
By Richard Nagel  
It's Mayor

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By Liza M. Donabauer  
It's Administrator

First Reading: May 4, 2015  
Second Reading: May 18, 2015  
Adopted: May 18, 2015  
Published: May 21, 2015