

Utility Billing Policy Change Items

Summary View — Council Feedback Requested

RECOMMENDED POLICY CHANGES

1 Property Owner & Tenant Responsibility

- Hold owner or tenant liable for unpaid balance before new service can start at another address
- Service automatically transfers to owner once tenant service ends and owner is responsible for charges moving forward; owner is NOT responsible for prior uncollected balance on tenant account
- No owner deposit required for non-owner-occupied property

2 Reduce Disconnection Timeline

- Reduce days of exposure from 96 to 68 days
- Disconnection date moves up approximately 4 weeks earlier

Note: Disconnection Date will be added to Customer bills for transparency.

3 Update Leak Adjustment Policy

- Define preventable vs. non-preventable leaks; preventable leaks not eligible for adjustment
- Allow one adjustment every 24 months (previously 36)
- Increase maximum adjustment from \$1,000 to \$3,000
- Require proof that the leak has been repaired

4 Corrective Billing

- Billing corrections aligned to a 2-year window for accounts that are underbilled or overbilled (previously 2 years if underbilled and indefinite amount of time if overbilled)

Late Fee Assessment Timing

Council Discussion — Late Fee Policy

CURRENT PRACTICE Late fee assessed 10 days after the due date

A

Assess Next Day

STAFF PROPOSAL

- Late fee assessed 1 day after the due date
- Consistent with industry best practice – matches practice at other NC municipal utilities
- Earlier delinquency signal supports faster collections

B

5-Day Grace Period

ALTERNATIVE

- Late fee assessed after a 5-day grace period
- Gives customers additional time before the fee applies
- May slow early identification of delinquent accounts

FEEDBACK REQUESTED Which approach should staff move forward with — Option A or Option B?

Implementation Timeline



WHAT TAKES EFFECT

- New customer contract terms
- Ordinance amendment
- Billing policy amendment
- Credit card fees absorbed by customer
- Disconnection 4 weeks earlier for unpaid account balances
- Collection efforts kick off
- New leak adjustment policy
- Other minor policy changes

IMPLEMENTATION STEPS

- ✓ Staff training
- ✓ Customer notification campaign (letters, social media, website, realtors, attorneys)
- ✓ New contracts process made easy — customers can complete electronically without visiting City Hall
- ✓ Late Fee and Delinquent Account Fee waived for 2 months for customers to get used to new processes