



FINANCE DEPARTMENT MEMORANDUM

To: Honorable City Council, City Manager, City Recorder
From: Heather Lee, Utilities Clerk
Date: March 13, 2025
Subject: Changes to Standard Operating Procedure for Cutoff Day

This is to inform you of a change to the cutoff day Standard Operating Procedure (SOP).

Current SOP for cutoff day: The last day to make a payment before cutoff is the 23rd of the month; cutoff day is on the 24th of the month unless it's on a Friday or weekend, then it is on the next business day. Our online payment site and automated pay by phone system are turned off at midnight the night before cutoff day. The morning of cutoff day the Utility Clerk comes in and balances the daily cash report for water/sewer, posts all receipts, verifies the online site is turned off, checks and locks off night drop, and prints the cutoff report. The meter readers are given the cutoff report and begin cutting off water services. All accounts **that are turned off** are charged a service charge of \$50.00 to reconnect services (per Ordinance 2021-16, Municipal Code 18-114, II) in addition to their bill amount. After all cutoffs are completed, the meter readers start reconnecting water for customers who have paid their bill and service charge.

Municipal Code 18-114. Service charges. The following rates for service related to temporary water cut off or cut on, reconnecting, or relocating meter service are as follows:

II. For reconnecting water services after water service is discontinued for nonpayment of water bill, \$50 inside and outside city limits. Water cut off for nonpayment may not be turned back on until the following business day. When the work is performed at times other than normal working hours, the charge shall be \$60 inside city limits and \$100 outside city limits.

Changes to the SOP for cutoff day: The Utility Clerk will balance and post all receipts the evening of the 23rd. **The service charge of \$50.00 will be applied to all accounts that have not been paid by the close of business at 4:30 p.m.** The online and automated phone system will be turned off and the night drop will be locked off at the close of business at 4:30 p.m. on the 23rd. The cutoff report will be processed and sent to Public Works for the meter readers to start turning off water services at 7:30 a.m. on the 24th. All customers on the cutoff list will be cutoff and all reconnects for customers who have paid their bill and service charge will begin after lunch.

These changes are necessary to help reduce the chaos, confusion, and risk of errors on cutoff day. It has been discovered that repeat customers have exploited a loophole in our current SOP. They wait until the morning of cutoff day to pay their bill because they know they will not get charged the \$50 service charge if they pay their bill before their service is cutoff. Also, we take payments by phone at City Hall only on cutoff days (because the automated pay by phone system and online payment site are turned off). As a result, customers are rushing in and the phones ring constantly. Also, our front office employees must call the meter readers to verify whether the customer's water service has already been cut off. The employees must also call the meters readers to let them know who has paid so their water won't be cut off. This whole process is chaotic, confusing, and stressful for the employees.

We plan to implement the new SOP starting July 24, 2025. This will give us time to notify all customers of the new changes. We will notify customers of these changes in the following ways: mailing letters to each customer, putting a note on each water bill, advertising in the Standard Banner, and posting on the city's website.

I would be happy to discuss this subject further and answer any questions at your convenience. I can be reached at (865)475-9071 or by email at hlee@jeffersoncitytn.gov.