

VILLAGE OF CASS CITY
POLICY FOR
FOR NONPAYMENT OF WATER UTILITY

Purpose

The purpose of this policy is to outline the procedure(s) for Nonpayment of water utilities, in accordance with the Village Utilities Ordinance Chapter 40 – Utilities, Article II – Water, Division I Generally – Water Shut-Off for Non-Payment, including but not limited to termination of Water service and enforcing a lien on the served property for nonpayment. The Village provides water and wastewater services on a fee-for-service basis. When the utility customer does not pay for the service, the Village ends up paying for it. As the Village receives revenue to run the system from its users of the system (i.e. other residents and businesses), the Village then is asking other users to pay for their service(s) of others.

Notice of Termination for Delinquent Utility Payments

If utility payment is not received or satisfactory arrangement have not been made within 30 days of the due date on the bill, a termination of service notice shall be sent by first-class mail to inform the user that failure to pay the past due amount, including any penalties, within fifteen (15) days will result in termination of service.

If payment is not received, or satisfactory arrangements have not been made, or a hearing has not been requested within fifteen (15) days after the termination of service notice is mailed to the user, the service shall be discontinued and the amount of the unpaid balance shall be deducted from their utility deposit.

Hearing

The termination of service notice will also inform the user that the user may request a hearing before the village manager prior to any termination of service. At the hearing the user will be given an opportunity to show good cause why the billing is in error or other reasons that the amounts billed are not owed, and why service should not be terminated.

Payment arrangements

As the ordinance is initially enforced and many customers owe for 12 – 18 months of utility services, payment arrangements will be made with utility customers. Up to six (6) month payment plans are available to utility customers with a balance of \$1,000 or below. Up to nine (9) month payment plans are available to utility customers with a balance of more than \$1,000.

Subsequent to the initial implementation and enforcement of the ordinance in 2019, the maximum payment plan allowed will be for a period of up to six (6) months.

Fees

Additional charges for turning off the water and turning on the water apply, in accordance with the Village of Cass City Fee Schedule. Upon termination of service, the utility customer must pay the shut-off and turn-on fees, in addition to the balance owed, or monthly payment in accordance with a payment plan before the service will be restored.

Shut-Off by DPW

The Village DPW will place a notification card on the front door of the delinquent property prior to shut off putting the resident and property owner on notice of shut off due to nonpayment and the date water service will be terminated. Shut offs will not take place on a Friday or within two days of any Village of Cass City recognized holidays.

Lien Against the Premises Served

The Village of Cass City will make every effort to bill and collect from the utility customer for services rendered to them. Pursuant to the provisions of the Revenue Bond Act, Public Act 94 of 1933, being M.C.L. § 141.121, as amended, charges for water and services that are delinquent for six (6) months will constitute lien on the served premises. Unless the Village of Cass City is notified in writing that the tenant is responsible for the payment of the charges, pursuant to M.C.L. § 141.121, the Village of Cass City official in charge of the collection thereof shall certify the delinquency to the proper tax assessing officer or agency for the Village the fact of such delinquency to collect delinquent charges and enforce the lien whereupon such charge shall be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general city taxes against such premises are collected and the lien thereof enforced. If such written notice is provided, then the charges shall not become a lien against the premises after the date of the notice, and no further service will be rendered to the premises until a cash deposit pursuant to the Village's Water Ordinance shall have been made as a security for the payment of such charges and service.

Policy adopted by Village Council: