

AGENDA ITEM
February 2nd, 2021

Subject: Water Collections Code Update

Department: Finance

The attached ordinance will address four issues pertaining to Water Collections:

1. Adjust the water billing delinquent due date from a set time to close of business day. This will reduce issues if City Hall operational hours are changed.
2. Adjusted the disconnection policy for late penalties.
3. Synchronize Administrative Fee amounts. The Administrative fee was changed in the Tap-Fee section 40-27 but not the billing section 40-21.
4. Allow the City Manager to appoint a designee to address cases of excusable requests or mistakes occasioned by billing procedures.

Manager Note: Current policy will disconnect both residential and commercial accounts if their balance was over \$19.99 due to a 10% late penalty remaining on their bill. This occurs frequently when City Hall receives mailed checks for the "Amount Due" after the due date.

All bills are due on the 5th of the month (exception: if the 5th falls on a day City Hall is closed, then bill is due next business day.) Water bills have the "Amount Due" – "Due Date" – "After Due Date Pay This Amount" printed on the bill.

Scenario:

- Business mails \$200.00 check to City for amount due. City receives bill two days after due date. (Payments are posted on day received not post marked).
- A 10% late Fess is accessed, as stated on Water Bill, making amount due - \$220.00. Leaves a \$20.00 balance
- Current policy would disconnect business on the 15th of the month for the unpaid penalty of \$20.00.

New Policy will prevent accounts being shut-off due to late fees.

BILL NO. 2021-012

ORDINANCE NO.

A GENERAL ORDINANCE OF THE CITY OF NEVADA MISSOURI AMENDING CHAPTER 40 OF THE CODE OF THE CITY OF NEVADA, MISSOURI PERTAINING TO WATER COLLECTIONS OF BILLS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI THAT:

Section 1. Section 40-21 of the Code of the City of Nevada, Missouri is hereby amended to read as follows:

Sec. 40-21. - Collection of bills.

All bills for water service shall be due and payable on the fifth day of the month. When the fifth day of the month falls on a day that city offices are closed, the bill shall be due on the next business day. Payment must be received by close of business day at City Hall or at such other places as the governing body of the city may from time to time specify.

- (1) If the bill remains due and unpaid thereafter, a late charge of ten percent of the current bill will be assessed. Delinquent amounts shall be due and payable on the 15th day of the month by close of business when the 15th day of the month falls on a day that city offices are closed, the payment shall be due on the next business day.
- (2) Delinquent amounts less than \$20.00 and late charges accrued will be added to the next regular bill with no further notification and service will not be subject to termination.
- (3) If the delinquent bill is not paid by the 15th, service will be terminated the next business day and an administrative fee will be assessed to the customer account. Service will only be reinstated upon full payment of the delinquent amount, late charges, administrative fees and deposit if applicable. Payments received after 4:00 p.m. will be scheduled for re-connection on the next business day.
 - a. Inside city limits: \$50.00
 - b. Outside city limits: \$60.00
- (4) Returned payments and additional fees shall be due within five business days from the return date. Returned payment fee limits are set by RSMo.570.120. Payments will only be accepted in the form of cash, money order, credit card, or bank certified payment. If payment is not received within the five-day period, service will be terminated and an administrative fee will be assessed to the account.
 - a. Inside city limits: \$50.00
 - b. Outside city limits: \$60.00

- (5) If a returned payment was for a deposit or reconnection, service will be terminated immediately. Return payment fees and administrative fees will be assessed to the account.
- (6) The city manager or designee shall be authorized to extend a billing due date if a customer had a verifiable leak where the bill is at least double the average bill amount and the leak has been repaired by a person or company licensed to make plumbing repairs in Nevada, Missouri. Late charges will apply, but disconnection shall not occur until after the extended due date.
- (7) The city manager or designee is authorized, where appropriate, to direct staff to assist customers in setting up payment plans not exceeding one year where the above qualifications have been met and the customer is otherwise in good standing on their account.

Section 2. Section 40-22 of the Code of the City of Nevada, Missouri is hereby amended to read as follows:

Sec. 40-22. - Waiver of reconnection fees and late charges.

The City Manager or his designee shall be authorized to waive late charges and reconnection fees in cases of excusable requests or mistakes occasioned by billing procedures.

Section 3. This ordinance will be in full force and effect upon its adoption and approval.

PASSED, APPROVED and ADOPTED by the City Council of the City of Nevada, Missouri, this ___ day of December 2020.

CITY OF NEVADA, MISSOURI

(SEAL)

By: _____
George Knox, Mayor

Attest:

Michele Baily, City Clerk