



## **EXHIBIT A UTILITY PAYMENT POLICY**

### **Section 1:**

#### **BUDGET BILLING**

##### **About Budget Billing:**

The City of Geneseo offers budget billing for our customers ease in paying their utility bill. Budget billing is not a discount program; it offers no savings or lower rates. The total annual cost for utilities remains the same, but customers have the convenience of a more predictable bill each month. Participation in the program is free and offered to all customers who have had service with the City of Geneseo for at least 6 months.

##### **How Budget Billing is Calculated:**

If customers have an established City of Geneseo utility usage history, the usage and cost over the previous 12 months is divided by 12 (unless it is a new account, then this is taken over 6 months). An average monthly cost is the determined by multiplying that amount by a factor that takes into account projected utility prices.

##### **Review of Budget Billing Amounts:**

Once enrolled in Budget Billing, your account will be reviewed twice a year. The budget bill amount may stay the same each time, or may change 2 times a year depending on the history of the account. The City will notify you in writing only if your payment amount changes.

During the review process, we recalculate your average monthly cost, take projected costs into consideration and factor in your budget balance- the difference between the amount billed and the cost of usage.

##### **Discontinuance of Budget Billing:**

The customer may discontinue Budget Billing at any time by submitting a written notice. Any existing credit will be refunded to the customer's active account immediately and will be due in full with the next bill. The City of Geneseo may terminate Budget Billing should the account become past due and proceed with collection actions. If a customer has been removed from Budget Billing, they are not eligible to return to the program for one year.

##### **Final Billing:**

When service is terminated, the entire outstanding amount for actual usage is due and payable on the final bill. Customers are responsible for usage regardless if it exceeds the amount billed

through Budget Billing. Any credit balance owed to the customer shall be first credited against the final bill and any remaining credit will be refunded to the customer.

**Signing Up:**

In order to be eligible for Budget Billing, you must sign the Budget Billing form.

**Effective January 1, 2017- you will no longer be able to use your budget billing credit to pay your bill. 12 monthly payments must be made. Advance payments are accepted in the exact amount due. Example: a customer with a \$100/month bill may prepay 2 or 3 months in advance by making a \$200 or \$300 payment.**

**Section 2:**

**PAYMENT ARRANGEMENTS**

**About Payment Arrangements:**

If you owe a balance for past due service, you may have the opportunity to make an arrangement and avoid disconnection of your utility service.

If you are still delinquent at 12:01pm on shut off day, you must pay 100% of the delinquent amount and all fees in order to have your utilities turned back on/remain on. All payments after shutoff must be paid with cash, money order, or credit card.

**Long Term Arrangement:**

A residential or commercial customer owing a past due amount may be eligible for a payment arrangement. To initiate, you must contact City Hall to set up the arrangement and pay a minimum of 20% of your past due bill amount. The remaining balance must be paid over the next 4 to 8 billing cycles. You must pay each installment, plus your current bill amount, by the bill's due date each month to keep the payment arrangement active.

If the payment arrangement extends further than one week we must have a signed document.

**Short Term Arrangement:**

A residential or commercial customer owing a past due amount may be eligible for a payment arrangement. To initiate, you must contact City Hall to set up the arrangement and pay a minimum of 20% of your past due bill amount. The full bill amount must be paid in full by the next billing cycle.

### Section 3

#### DISCONNECTS

Electric and water service shall be terminated if any of the following conditions occur:

- (1) A customer fails to pay a deposit when required under the provisions of this subchapter;
- (2) A customer fails to pay for past services more than eight days in arrears;
- (3) A deferred payment arrangement cannot be reached with the customer and owner, or the customer does not adhere to the deferred payment arrangement;
- (4) Nonpayment for unmetered electric or water service;
- (5) Failure, after written notice has been mailed to the customer, to permit the city physical access to install a replacement meter or to repair a meter;
- (6) User's property has been determined unsafe by any of the city's inspectors or the City Fire Chief;
- (7) A customer obtains electric or water service by fraudulent means or submitted an application which contained misrepresentation, falsifications, or material omission of requested information of the applicant; or
- (8) Wherein any connection in violation of the provisions of this subchapter is known to exist.

Prior to discontinuation of service, a discontinuation notice, separate from the bill for utility services, shall be mailed to the customer. Discontinuation shall not occur until eight days have elapsed since the mailing of the notice. All service shut-offs will commence within five business days of shut-off date or date of failed arrangement.

There is no minimum amount required to be shut off.

No additional notice for disconnection will be required if the customer has entered into a deferred payment arrangement, as described in § 52.20, and breaches the agreement by failing to pay.

Customers who have medical conditions which require electricity for certain medical devices or machines must present a letter from their physician stating that a condition does actually exist. This letter must be signed by a licensed physician; no stamped signatures will be accepted. Signatures of other office personnel such as nurses, secretaries, and the like will also not be accepted. Municipal Utilities has the right to inspect and or view any device. In the event of an accidental outage, these customers are given precedence in the restoration of service. Refusal of a customer to allow an employee to view or inspect the equipment shall make this policy null and void. Letters from physicians must be updated every 90 days.

Any account having two or more shutoffs within a 12-month period or having a deferred payment arrangement may have an automated current limiting disconnect device installed. Removal of the device will be at the discretion of the Director of Electrical Operation.

A disconnection will not occur if written notification is received directly from Project NOW, LiHeap, Henry County Housing Authority or the Geneseo Food Pantry prior to 9am on the shut-

off day which indicates that the City will receive an adequate payment to satisfy an account delinquency.

Immediate disconnection of water service, without notification to any party, can be effected to prevent actual or anticipated contamination or pollution of the public water supply, provided that, in the reasonable opinion of the Water and Sewer Superintendent or the State Environmental Protection Agency, the action is required to prevent actual or potential contamination or pollution of the public water supply. Neither the public water supply, the Water and Sewer Superintendent or its agents or assigns, shall be liable to any customer for any injury, damages, or lost revenues which may result from termination of the customer's water supply in accordance with the terms of this subchapter, whether or not the termination was with or without notice. The action shall be followed by written notification of the cause of disconnection to the City Council.

Reconnection: Service shall be reconnected as promptly as possible during regular business hours after a customer has made satisfactory payment for his/her account. Service will not be reinstated until a full payment of past due amounts has been made. If a customer has not received a shut off door hanger over the past 12 months, the \$75 shut off fee will be waived automatically.

#### **Section 4:**

#### **ACH POLICY**

If a customer is enrolled in ACH, and the city receives an NSF back, the customer will be charged the \$20 NSF Fee, and the customer will then enter into the same shut off proceedings as a customer not on ACH.

After 2 NSF's while on ACH, the customer will be removed from ACH for one year.

#### **Section 5:**

#### **DEPOSITS**

##### **Residential**

A deposit is required of all persons within the city requesting initial service at any property. A deposit of \$125 for electric service, and \$75 for water and sewer service. Anyone with an old deposit amount (\$150) that relocates to another Geneseo Municipal Utilities served property must then pay the additional \$50 at the time of initial service at the new location. Anyone moving from an electric or water only account to a location with both service must then pay any

shortfall from the previous deposit amount. If the customer is unable to pay the deposit upfront, they may be given up to four months to pay as long as equal payments are made each month. In addition, a similar deposit shall be required for all persons who currently receive utility service from the city and who fall into one of the following categories:

- (1) Have delivered bad checks or electronic payments for payment of utility bills; or
- (2) Have had a notice of shut-off physically delivered to the property receiving service

### **Commercial**

(1) A deposit of one-sixth the cost of the annual usage as estimated by a representative of the Municipal Utilities (electric and water) shall be required of all commercial or industrial customers requesting initial service from the city at any given property. If the customer is unable to pay the deposit upfront, they may be given up to four months to pay as long as equal payments are made each month.

(2) A deposit equal to one-sixth of the prior aggregate utility billing for the prior 12 billing cycles shall be required for all commercial customers that began receiving service after December 31, 2013 and who have not made a deposit with the city.

(3) A deposit equal to one-sixth of the prior aggregate utility billing for the prior 12 billing cycles shall be required from any commercial customers that began receiving service prior to January 1, 2014 that fall into one of the following categories:

- (a) Have delivered bad checks or electronic payment in payment of utility bills; or
- (b) Have had a notice of shut-off physically delivered to the property receiving service

### **Deposits**

All deposits provided for in this section shall be deposited in interest-bearing accounts in accordance with city investment policies.

(1) Only such residential account deposits which were made after December 31, 2014, shall remain with that account for the duration of the service. No interest shall be paid on deposits held for less than one year.

(2) For commercial deposits based upon the initial estimate, the city shall adjust the deposit requirement to the amount that is one-sixth of the aggregate utility bills for the first 12 billing cycles following the initial estimate. Thereafter, either the city or customer may request a recalculation of the deposit requirement based upon the prior 12 billing cycles. The city shall return any over- deposit, or the customer shall satisfy any deficit in the deposit, within 90 days of the adjustment determination. Commercial and industrial deposits will be kept for the duration of service with the Geneseo Municipal Utilities. In the event of termination by the depositor of electric and water services, any unpaid charges outstanding against the depositor and the final bill for the service shall be deducted prior to the refund. All returned deposits will be credited to the account.

(D) Representatives of the Municipal Utilities reserve the right to investigate all requests for initial and reconnected service and shall require a deposit as allowed in this subchapter.

**Section 6**  
**PROCESSING FEE**

A processing fee of \$75 shall be charged when an account reaches shut-off status, and has not been paid by 9:00am on the day tags are hung. Shut-off status occurs when a list is determined by billing and collection personnel of all accounts remaining unpaid on shut-off date printed on previously mailed notice, or failure to meet a previous payment arrangement. Disconnection is required due to the customer's failure to adhere to the requirements of this subchapter. There will only be reconnections Monday-Friday 7:30am-3:30pm.

**Section 7**  
**BILLING CYCLE/MAILING OF BILLS**

Charges for city public utility services shall be payable monthly for which the services are rendered.

Bills for public utility service charges shall be sent out by the city's billing department within 15 days after the reading of the meters.

**Section 8**  
**BILLS DUE/LATE CHARGE/EXCEPTION**

- (A) A bill will be due and payable ten days after it is rendered.
- (B) A penalty charge of 1.5% per month times any unpaid amount due, excluding taxes, shall be added to the billed amount to all bills not paid by the due date.
- (C) Bills due Friday, Saturday, or Sunday shall be considered received by the due date if payment is made to the Billing Department no later than 10:00 a.m. the following business day.

**Section 9**  
**BAD PAYMENTS**

If you have had 2 or more bad checks or electronic payments in the last 12 months, you will be required to pay with cash or money order, and will no longer be able to use Xpress Bill Pay

**Section 10**  
**INITIAL SERVICE**

A customer may apply for initial service by either coming in to City Hall, or filling out the online application and electronically sending all of the necessary documents and information.

When a resident comes in to terminate service, it will be taken out of the customer's name within 2 business days from when they've called/come in to City Hall, as long as City Hall has received an application for service from the new resident. There will be no backdating of termination of service.

If a tenant moves out and a new one does not call by the next time bills are calculated, the service will automatically go back into the landlord's name.

If a resident moves out and a new one does not come in to sign up for service, the previous resident may provide written documentation of the new owner in order to have their name removed from the account. If no proof of transfer is provided the bill will remain in the previous resident's name.