

**BOARD RESOLUTION NO. 07-001**

**A RESOLUTION OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES ESTABLISHING PAYMENT TERMS AS PART OF THE GENERAL CONDITIONS FOR UTILITY SERVICES PROVIDED BY THE BOARD OF PUBLIC WORKS.**

**WHEREAS**, the Board of Public Works has, as part of its general policies, rules and regulations, established terms for payment of utilities; and

**WHEREAS**, it has come to the attention of Board that such payment terms require modernization, coordination and updating; and

**WHEREAS**, the Board deems it appropriate to adopt the recommendation of the General Manager to include a budget billing plan, "No Surprise Bill Payment Plan", for customer service; and

**WHEREAS**, it is deemed by the Board of Public Works that such coordination and updating of payment terms will be in the best interest of the customers and rate payers of the utility systems.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Public Works of the City of Lewes, in session met, a quorum pertaining at all times thereto, that the Board of Public Works establish payment terms as part of the general conditions for utility services provided by the Board of Public Works, as set out in Exhibit "A", attached hereto and incorporated by reference herein.

I, Jon Woodyard, Secretary of the Board of Public Works of the City of Lewes, do hereby certify that the foregoing is a true and correct copy of a Resolution passed by the Board its Regular Meeting held on March 27, 2007, 2007, at which a quorum was present and voting throughout and that the same is still in full force and effect.

Dated: 3/27/07

  
Secretary

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## 1. PAYMENT TERMS

1.1 Billing periods for metered utility services are determined from meter readings that will be as close as possible to thirty (30) day intervals. This may vary due to normal reading dates falling on Saturdays, Sundays and Holidays, and due to other conditions. Bills will be generally computed on the basis of the actual consumption covered by the meter readings. Flat rate accounts as defined under the approved rate schedules will be billed as such. Under abnormal conditions, bills will be estimated for a period not to exceed two (2) consecutive months within a twelve (12) month period.

### 1.2 When Bills are Payable

1.2.1 The bills are due when rendered and are past due in twenty-five (25) days from the date on the bill. All payments must be received by the Board prior to the next billing date.

1.2.2 If payment for bills rendered is not received by the Board within the prescribed time frame a late-payment penalty of one and one-half percent (1-½%) per month on the unpaid balance will be added to the Customer's account.

1.2.3 Post-dated checks for payment of service(s) will not be accepted.

### 1.3 *No Surprise Bill* or Budget Billing Plan

The *No Surprise Bill* payment plan (Budget Billing) is available to qualifying Customers in an effort to equalize payments throughout the year.

#### 1.3.1 Plan Description

The plan can begin anytime during the year, provided a twelve (12) month billing period history is available or the Customer and the Board can agree on an estimated twelve (12) month period history for the purposes of calculating the *No Surprise Bill* amounts. The exact payment amount will be determined by averaging the consumption used in the previous twelve (12) billing periods and recalculating the average bill based on an average consumption and the current rates. Under this plan, the Customer shall be billed for eleven months on an estimated budget amount basis with the twelfth month as the settlement month. The billing for the settlement month shall consist of the difference between the actual amount due to date and the budget amount paid to date.

#### 1.3.2 Plan Eligibility

Any Customer who meets all the following requirements may request participation in the plan:



- (a) an actual twelve (12) months' billing period history or an agreement with the Board on a estimated twelve (12) month billing history which can be used in calculation of a *No Surprise Bill* payment amount.
- (b) no checks returned by the Customer's bank within the past year for reasons listed under 1.8.2.
- (c) no more than three (3) late payments and/or more than one disconnection for failure to pay in the previous twelve (12) billing periods.

### 1.3.3 No Relief of Payment Obligations

Participation in this Plan does not relieve the Customer from the obligation to make regular period payments in an amount at least equal to the levelized payment amount stated on the bill. All payment terms stated in this section shall apply. Failure to abide by the terms of the Plan will result in removal from the Plan participation. Those Customers so removed will not be eligible for reinstatement for one year.

## 1.4 Disconnection for Failure to Pay

- 1.4.1 If payment is not received by the Board prior to the next billing date, the Board will send a Disconnection Notice with the next regular bill, notifying the Customer of impending termination of service. This notice shall include any applicable late charge and notice of service disconnection if payment is not received within fourteen (14) calendar days from the date of the notice. The bill and notice shall be sent by first class, prepaid mail and deposited in the United States Postal Service and addressed to the Customer at the last known mailing address appearing on the records of the Board.
- 1.4.2 When a Board employee visits the property to disconnect service for failure to pay, the Customer if available will be given the opportunity to make payment rather than be disconnected. If the Customer elects to pay, a thirty dollar (\$30.00) Collection Charge will be assessed. This charge will apply for any collections visit to the property that does not result in disconnection.

## 1.5 Payment Agreement

- 1.5.1.1 The Board may make arrangements for a modified payment schedule with a Customer who is unable to pay his or her bill for Delivery Service or combined Electric Supply and Delivery Service to the Board due to unusual or severe circumstances. There will be a late payment penalty levied against all payment agreements of one and one-half percent (1-½%) per month on the unpaid balance. Any party to a payment agreement who fails to meet the obligations of the agreement made with the Board is subject to disconnection, following seventy-two (72) hours notice by letter or telephone to a number given in the payment agreement.

## 1.6 Restoration of Service

- 1.6.1 A restoration of service charge will be paid by the Customer in order to restore service to the Customer whose service has been disconnected for any reason, except in the event of a fire resulting in disconnection of service. Any Customer disconnected under the provisions of these rules and regulations for nonpayment must pay all overdue bills (past and present), a restoration of service charge, and a deposit when required, before service will be restored.
- 1.6.2 If restoration is requested between 7:00 am and 4:00 pm Monday through Friday, Holidays excepted, the restoration of service charge will be forty dollars (\$40.00). Request for restoration on the same day under this provision must be received no later than 3:00 p.m.
- 1.6.3 If restoration requests are received between 4:01 p.m. and 12:00 a.m., a restoration of service charge of ninety-six dollars (\$96.00) will be required, Monday through Friday, Holidays excepted.
- 1.6.4 Emergency restorations at times other than the hours discussed above will be made by the Board at the discretion of the Board only in emergency situations. A restoration of service fee of one hundred and seventy-two dollars (\$172.00) will be charged. This means that Holiday and weekend restorations will require the higher fee described above.
- 1.6.5 If a second visit is required to make restoration, a Service Fee will be charged for the Board employee's additional visit. This fee will be thirty dollars (\$30.00).

## 1.7 Failure to Receive a Bill

Failure to receive a bill will not entitle the Customer to remission of any charge for nonpayment within the time specified.

## 1.8 Advance Payments

Advance payments may be made by the Customer to the Board at any time. The amount of the advance payment may be determined by the Customer. Bills will be rendered monthly showing the amount of the current bill and the amount of the advanced payment credited thereto.

## 1.9 Checks Returned From Banks

- 1.9.1 Checks received in payment of bills rendered for, Utility Service(s), Customer Deposits, and Restoration Charges, which are returned to the Board unpaid by the Customer's bank and authorized attempts by the Board to draft Customers accounts with insufficient funds, will result in an



additional charge of thirty dollars (\$30.00) per check or bank draft attempt per occurrence.

- 1.9.2 After two (2) checks are returned to the Board unpaid by the Customer's bank on a consumer's account or two (2) authorized attempts by the Board to draft Customers accounts within, a twelve (12) month period for which there are insufficient funds, a closed account, predated, differing amount, signature missing or similar reasons, the Board will not accept checks in payment of electric bills. Payments may be accepted on a "Cash Only" basis, including money orders, credit cards payments and certified checks.

1.10 Customer's Deposit to Guarantee Payment of Final Bills

- 1.10.1 The Board may require from a Customer or prospective Customer, a cash deposit to guarantee payment for utility services components of the final bills. Such deposit shall not be less than one hundred twenty five dollars (\$125.00) nor more in amount than an amount equal to two-twelfths (2/12) of the estimated annual revenue or as may be reasonably required by the Board in cases involving service for short periods. Service may be denied or terminated for failure to pay a deposit when requested. Deposits shall not be applied against current delinquent bills.

- 1.10.2 Simple interest will accrue on deposits at an annual rate equal to the Prime Rate as published in the Wall Street Journal on the first business day of October each year, minus 400 basis points (4%). Interest will begin to accrue when the deposit has been paid in full; however, no interest will be paid unless the deposit is held longer than ninety (90) days. The deposit shall cease to draw interest on the date it is applied or on the date service is terminated. Deposits will automatically be applied to the account following payment of twelve (12) consecutive bills without arrears.

1.10.3 Deposits shall be collected from:

1.10.3.1 any existing Customer who:

1.10.3.1.1 Has been disconnected for non-payment

1.10.3.1.2 Has rendered two checks returned to the Board unpaid by the bank for reasons listed in 1.8.2 in any twelve (12) month period.

1.10.3.1.3 Has been delinquent three (3) times in the current twelve (12) month period.

1.10.3.2 New Commercial and Industrial Customers.

1.10.3.3 New Customers with unsatisfactory credit as defined by a prior history of delinquency with the Board or detrimental credit information from adverse credit reports from recognized credit reporting services or adverse credit reports from recognized credit reporting services or adverse credit history with their immediate past utilities. Those Customers, required to provide a deposit under this section, shall be advised of the source and nature of the adverse credit information and given an opportunity to correct any inaccurate information.

1.10.3.4 Customers found to be using names other than their own legal name when use of their own name would create an impediment to service such as requiring payment of delinquent bills or a deposit.

1.10.3.5 Customers found tampering with or guilty of abuse of Board's meters or equipment.

1.10.3.6 Persons who were adult Customers of a previous household which has a delinquent account with the Board.

#### 1.10.4 Adjustment of Deposits

Deposits will be subject to review to insure that they are sufficient, but do not exceed two-twelfths ( $2/12^{\text{th}}$ ) of an estimated annual revenue. Differences will be applied to the account.

#### 1.10.5 Deposit Amounts

Deposits will be collected in whole dollar amounts.