

UTILITY CREDIT POLICY

3/26/09

The City of Klamath Falls is committed to providing our customers with reliable water and wastewater service at the lowest possible cost consistent with sound business practices. Although the City is committed to customer service, our customers have the responsibility to pay for services received. Failure to meet this responsibility places a burden on our other customers to compensate for lost revenue. To protect the rights of all our customers, the City has established the following credit policies for water and wastewater accounts.

1. Utility bills are due and payable on receipt. Credit is normally extended 15 days after the mailing date of the bill. The final date for prompt payment is printed on the bill.
2. If a bill becomes delinquent, a letter is mailed approximately 30 days after the date of the bill. The notice would be sent the same date we are mailing their new bill. The due date on the delinquent letter will be fifteen (15) days from the date it is mailed. On receipt of a delinquent letter, the customer is obligated to pay the delinquent portion of the bill or make suitable payment arrangements with the City of Klamath Falls Utility Billing Department.

It is the sincere wish of the City Utility Billing office to maintain communication and provide good customer service. In support of that, the customers have the option of signing a payment arrangement before disconnect. The arrangement is a commitment by the customer to pay the delinquent portion of the account on a specified date or in payment installments over a specified period of time. The customer must make acceptable arrangements in person on the account at the Utility Billing Department. It is the customer's responsibility to contact the Utility Billing Department as soon as the customer becomes aware of a payment problem. Unless extraordinary circumstances exist, new or modified payment arrangements shall not be granted while a prior payment arrangement is pending.

3. If the customer has not paid the past due amount or made an acceptable payment arrangement by 4:00 p.m. seven (7) days prior to the due date set forth in the delinquency letter, a *delinquent payment and disconnect reminder* will be mailed to the customer. The disconnect notice will state in easy to understand language: a) the reason for the proposed disconnection, b) the amount to be paid to avoid disconnection, c) the earliest date for disconnection and d) an explanation of the payment arrangement option.

If the customer has not paid the past due amount or made an acceptable payment arrangement by 4:00 p.m. on the due date set forth in the disconnect notice, there will be a \$35.00 service fee assessed when the account is scheduled for disconnect. This will be charged whether or not the service is actually disconnected.

If the customer has been disconnected and comes in to pay after 4:30 p.m., there will be an additional \$50.00 after-hours fee, for a total of \$85.00, to have the service reconnected after hours. If the customer waits until business hours to have the service reconnected, they will just be assessed the \$35.00 service fee.

If the customer is scheduled for disconnect a deposit in the amount of double the average monthly bill's usage during the previous 12-month period or a minimum of \$75.00 will be required. One (1) year after the deposit is paid it will automatically be applied to the account, provided during the one year period the customer has not been sent four (4) or more delinquent notices under Section 4.050 nor has had water service discontinued under Sections 4.262 or 4.272.

4. If after closing an account the customer fails to pay their final bill, they will be turned over to a collection agency. If the customer requests to sign for utility service again, they will be required to pay in full any outstanding bills, a deposit, and any other charges incurred.

5. Any applicant with less than one year prior utility service with the City will be charged a \$50.00 deposit. In lieu of a \$50.00 deposit, the customer can provide a letter of credit from a previous utility showing a minimum of one-year good credit history.

One (1) year after the deposit is paid it will automatically be applied to the account, provided during the one year period the customer has not been sent four (4) or more delinquent notices under Section 4.050 nor has had water service discontinued for nonpayment of bills or excessive water use.

TAMPERING

No service drop, including the meter, shall be tampered with without prior authorization by the City. Any tampering with a meter or service drop will be considered evidence of fraud. If service has been disconnected by the City and reconnected without the City's authorization, the City will pull the meter. Service may not be reconnected until all bills, service fee, charges for damaged equipment, service charges, disconnect and reconnect costs and deposits have been paid and until the City is satisfied that similar events will not occur. The City reserves the right to pursue legal recourse against parties involved or benefiting from illegal tampering with a meter or service drop.

SPECIAL PROGRAMS

The City also has a Budget Billing program. The Budget Billing program is the process of billing a customer account an average amount each billing period in order to evenly spread the billing amount throughout the year. To qualify for this program the customer must have at least six months usage history and paid their account in full prior to starting the program.

Auto Landlord Program is where the customer completes a form to automatically have a service address go back in their name when a tenant closes their account. To cancel this service the landlord needs to provide us written notification.

Auto Bank Drafting is a program where the customer completes a form and provides us with a voided check to setup their account(s) payments to automatically be taken out of their checking/savings accounts on the due date of their bill.

