
**AUGUSTA COUNTY SERVICE AUTHORITY
OPERATING PROCEDURES AND POLICY MANUAL**

Approved By: Board of Directors
Effective Date: September 9, 2014

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Policy No. 5.3
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Billing and Collection

1.0 Basis of Bill

The Authority will bill customers at rates as published in the applicable schedule of rates, fees and other charges. For bills based upon usage, charges will be based upon an actual bi-monthly meter read of usage. If an actual read cannot be collected or an issue is discovered with the customer's meter, the Authority will estimate the customer's usage based on the six (6) most recently billed consumption periods prior to the current bill. If less history exists for the customer, the Customer Service Department will estimate the usage based on the history it has for the customer, or the number of residents living in the home if no history exists.

2.0 Payment Methods

Customer may make a payment:

- In person using cash, check, money order, or credit card (Discover, MasterCard and Visa).
- By mail using check or money order.
- By telephone using a credit card.
- Online using a credit card.
- By pre-authorized bank draft.
- Via our overnight drop box using check or money order.
- By ACH or wire transfer.*

All payment methods are available to customers without additional charge by the Authority.

*Customer's bank may charge the customer fees for an ACH or wire transfer.

Credit card payments will be limited to a maximum of \$5,000 and will only be accepted for water and/or sewer bills. No payments for other services are permitted to be made by credit card.

3.0 Due Date

Payment of bills is due thirty (30) days after the billing date. If the due date falls on a weekend or holiday, then the due date is the next Authority business day. Payments are due in the office of the Authority by the close of business on the due date. If payment is not received, the account will be considered delinquent. Requests for extensions are subject to approval by the Customer Service Supervisor on a case by case basis.

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4.0 Penalty and Interest

A 10% penalty and interest not to exceed the legal rate on the principal outstanding amount are added to all accounts not paid on or before the due date. A Second Notice, with penalty and interest added, is mailed to the billing address of record. The customer is given ten (10) days to pay the Second Notice bill to avoid having service disconnected. If a bill is disputed, the penalty and interest will still be applied; however based on the resolution of the disputed bill these charges may be reversed.

Property owners who have authorized an account to be placed in their tenant's name will receive a copy of the tenant's delinquent bills and are responsible for any unpaid water and/or sewer bills.

5.0 Delinquent Hang Tag

A hang tag will be delivered to each delinquent service location as a final notice that service will be turned off the following business day if the Authority does not receive payment of outstanding charges by 10:00 AM on the following business day. A Trip Charge, as outlined in the current prevailing Fee Schedule will be included in outstanding charges for delivery of this notification.

6.0 Turn Off for Non-Payment

If service has been disconnected for non-payment, the past due balance, penalty, interest, hang tag Trip Charge and a Delinquent Service Reconnection Fee must be paid before service will be restored. Once payment is made, every effort will be made to reconnect service on that day, however, the Authority reserves the right to take up to twenty-four (24) hours to restore service due to manpower and/or scheduling.

7.0 Delinquent Service Reconnection Fee

A Delinquent Service Reconnection Fee, as outlined in the current prevailing Fee Schedule will be charged to reconnect service. The fee is for the trip and time of the Authority personnel to physically visit the property to turn service back on.

Note:

When Authority personnel reconnect service and conclude that water is running in the property for a period beyond the normal filling of flush tanks, hot water tanks, etc., Authority personnel will attempt to contact someone at the property to determine whether any problems exist that may result from excessive running water. If no contact can be made and the meter continues to run, service will be disconnected again to avoid the possibility of water damage in the building or excessive billing. There will be an additional Trip Charge, as outlined in the current prevailing Fee Schedule, for a second trip to reconnect the service and the customer must be present when the service is reconnected the second time.

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8.0 Returned Check or Automatic Bank Draft

When the Customer Service Department is notified by its depository bank that a check or an automatic bank draft has been returned for any reason, the customer will be assessed a Returned Check Charge in accordance with the current prevailing Fee Schedule. The Authority will not accept a personal check or draft from the same account as a replacement for the original check or draft which was returned. Payment on accounts with a returned check or draft must be in cash, check from a different account, cashier's check, money order, or a credit card.

The Customer Service Department will attempt to contact the customer by phone, using the most recent phone number provided by the customer, to notify the customer that payment was returned. If Customer Service has not been provided current contact information, a notice will be left at the customer's property requesting that the customer contact Customer Service. If a notice is left, the customer will be charged a Trip Charge, as outlined in the current prevailing Fee Schedule.

If a check or draft is returned on an account that is beyond the due date of the Second Notice, the service will be disconnected. A Delinquent Service Reconnection Fee, as outlined in the current prevailing Fee Schedule, will be applied when service is restored.

In the event that two or more checks or bank drafts presented by the same customer are returned for any reason within twelve (12) consecutive months, the Authority reserves the right to place the customer on a cash-only basis and the customer must pay future bills in cash, by cashier's check, money order or credit card. After one year of successful payments, a customer may request to be removed from cash-only status.

9.0 Refusal of Service by the Authority

The Authority reserves the right to refuse requests for service for any of the following conditions:

- If the applicant has any outstanding or unpaid balance with the Authority.
- If the Authority has an outstanding lien against any property owned by the applicant.
- If the Authority has an outstanding lien against the property to be served.

10.0 Termination of Service at Customer Request

Service may be terminated upon request of the customer. Following termination, the customer will receive a final bill, and all bi-monthly charges will be discontinued.

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11.0 Turn On or Transfer to a new Account

Turn on or transfer of an existing service to a new customer requires a signed Authority Service Agreement and the payment of all applicable fees, as outlined in the current prevailing Fee Schedule. Tenants or non-owner occupants are required to submit the **Authority Owner Authorization Form** and to pay a security deposit in accordance with the current prevailing Fee Schedule.

Applicants for non-residential accounts will also need to complete an **Authority Meter Sizing Form**, and to address wastewater discharge characteristics as given in “Rules and Regulations For Wastewater Discharge” in Appendix 3 of the Authority Design and Construction Standards , prior to reconnection if the primary use of the property has changed.

For connections greater than 2”, an evaluation of system availability may be required prior to service reconnection.

12.0 Deposits

A security deposit is required for any residential or commercial applicant who is not the owner of the property to be served. The security deposit is assessed in accordance with the current prevailing Fee Schedule. The security deposit must be paid in full prior to service being turned on.

The security deposit will be applied to the final bill when the customer requests termination of service. The balance of the security deposit in excess of final charges due on the account will be refunded to the customer at a forwarding address provided by the customer or at the customer’s last address on file with the Authority. Security deposits will not accrue interest.

12.1 Deposit Exception

VA Code §15.2-2119 (H)

The locality shall not require a security deposit from the lessee or tenant to obtain water and sewer services in the name of such lessee or tenant if such lessee or tenant presents to the locality a landlord authorization letter which has attached documentation showing such lessee or tenant receives need-based local, state, or federal rental assistance. The absence of a security deposit shall not prevent a locality from exercising its lien rights as authorized under subsection (F) of VA Code §15.2-2119.

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13.0 Set-Off Debt Collection

VA Code §58.1-520 through §58.1-535 and §58.1-4000 through §58.1-4028

Any collection status account over \$10.00 originating from an unpaid utility billing may be submitted to the Commonwealth of Virginia's Debt Set-Off Collection Program for offset against the account holder's state income tax refund or lottery winnings, provided a final bill or collection notice has been mailed to the account holder.

14.0 Liens

Per VA Code §15.2-2119 (E) and §15.2-5139, a lien may be placed on the property in the amount of up to three months of delinquent water and sewer charges, any applicable penalties and interest on such delinquent charges, and reasonable attorney fees and other costs of collection not exceeding twenty (20) percent of such delinquent charges. In no case shall a lien for less than \$25 be placed against the property. In the case of services to a lessee or tenant, if the Authority does not cease supplying water to the lessee or tenant 60 days after the bill becomes delinquent, unless water is required to be provided pursuant to applicable law, there shall be no lien placed on the property for charges and collection costs beyond the 60-day period and no recourse against the property owner for service beyond the 60-day period.

Per VA Code §15.2-2119 (F) to place a lien for delinquent charges the Authority must have:

1. Advised the owner of the property in writing that a lien may be placed on the property if the lessee or tenant fails to pay any delinquent water and sewer charges.
2. Mailed by first-class mail to the owner of the property, or sent electronically if requested by the owner, at the address listed in the written authorization from the owner of the property (or such other address as the owner may provide), a duplicate copy of the final bill sent to the lessee or tenant at the time of sending the final bill to such lessee or tenant.
3. Collected a security deposit from the lessee or tenant as reasonably determined by the Authority to be sufficient to collateralize the Authority for not less than three and no more than five months of water and sewer charges.
4. Applied the security deposit held by the Authority to the payment of the outstanding balance.
5. Employed reasonable collection efforts and practices to collect amounts due from a lessee or a tenant including filing for the Set-Off Debt Collection Program if the Authority is a participant.

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6. Provided the property owner with 30 days' written notice, with a copy of the final bill, to allow the property owner a reasonable opportunity to pay the amount of any outstanding balance and avoid the recordation of a lien against the property. If the property owner fails to pay the amount of the outstanding balance within the 30-day period, the Authority may record a lien in the amount of the outstanding balance against the property owner. Upon payment of the outstanding balance, or any portion thereof, or of any amounts of such fees and charges owed by the former tenant, the property owner shall be entitled to receive any refunds and shall be subrogated against the former tenant in place of the Authority in the amount paid by the property owner. The Authority shall execute all documents necessary to perfect such subrogation in favor of the property owner.

15.0 Customer Responsibilities

Customer responsibility includes all of the pipes and fixtures on the private side of the customer's property, from the water meter or sewer clean out to and including the plumbing and fixtures inside the structure. The customer is also responsible for all water registered by the meter and any damage to the water meter or sewer clean out resulting from negligence or vandalism, as specified in **Policy 5.1 – Water and/or Sewer Connections**. The customer is also responsible for repairs and maintenance on the private side of the connection.

16.0 Customer Payment Plans

In the event of a leak or occurrence that creates a water and/or sewer bill that exceeds twice the average bill for the customer, the customer may request an adjustment pursuant to **Policy 5.4 – Water Billing Adjustments** or **Policy 5.5 – Sewer Billing Adjustments**. In addition, a payment plan may be worked out between the customer and the Customer Service Supervisor. The payment plan will be for a period not to exceed twelve months, and will consist of regular monthly payments to be paid until the account is brought current. Regular bills received during the payment plan period will be due on the stated due date and will be subject to penalty, interest, and disconnection if not paid. Penalties and interest will not accrue against outstanding amounts covered by a payment plan; however penalties and interest will be assessed if payments due on a payment plan are not received as agreed. If payments required under a payment plan are not received as agreed and the account becomes delinquent, a Delinquent Hang Tag will be delivered to the property, and a Trip Charge applied. If payment is not received within one business day, service will be disconnected. A Delinquent Service Reconnection Fee, as outlined in the current prevailing Fee Schedule, will be applied when service is restored.

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17.0 Bill Dispute Resolution

For issues that cannot be resolved by a customer service representative, the customer may request to be transferred to the Customer Service Supervisor for additional assistance. If the issue is not resolved after speaking with the Customer Service Supervisor, the customer may document the issue by submitting an Authority Bill Dispute Form for review by the Executive Director or designee. Disputes must be filed within thirty (30) days of the billing date, and must include a description of the specific item(s) in question. The Executive Director or designee will contact the customer within one (1) business week of receiving the Bill Dispute Form. The Executive Director's response is final and may only be appealed to the Board of Directors.