

DETROIT WATER & SEWERAGE DEPARTMENT

BILLING AND COLLECTIONS POLICY AND PROCEDURES

CITY OF DETROIT

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PART I. OWNER'S RESPONSIBILITY

Section 1: Establishing Water Service

All new Customers establishing a service with the Detroit Water and Sewerage Department will be required to provide valid photographic identification and proof of ownership/responsibility of property. Valid forms of identification may include passport, military identification, driver's license or state identification card, Social Security number, proof of property responsibility or valid lease agreement. Previously established customers will be required upon request to verify identification and ownership information as recorded. All accounts shall include the customer name and mailing address.

All properties are required to have the Automatic Meter Reading Technology (AMR) installed as part of establishing water service with the Detroit Water and Sewerage Department.

The Detroit Water and Sewerage Department requires a deposit for new water service. The deposit amounts are subject to change based upon the approved Schedule of Rates and are listed in the Fees and Schedules.

Section 2: Landlord Tenant Agreement:

A landlord/tenant agreement is an agreement that transfers the responsibility to pay the Detroit Water and Sewerage Department water and sewer bill from the landlord to the tenant. All tenants are required to register the water service in their name and provide proof of responsibility for payment of the water service.

Customers will be allowed to enter into a Landlord Tenant Agreement in accordance with Detroit City Code Section 56-2-42. Once a valid Landlord Tenant Agreement is provided to the Department and the tenant sets up an account in his or her name, the Department shall not lien the property for unpaid water and sewer bills. However, pursuant to Section 56-2-42, the landlord must notify the Department of any cancellation or changes in the Landlord Tenant Agreement with respect to the liability for the water and sewer charges. Failure to provide such notice will allow the Department to lien the property.

If the tenant fails to pay the water and sewer bill and the Department believes the tenant has thereby materially breached the Landlord Tenant Agreement, the Department will notify the landlord of such belief. The Landlord will then have 20 days to verify to the Department that the Landlord Tenant Agreement is still in effect. Failure of the landlord to provide said verification to the Department within 20 days will subject the property to a lien in the amount of the unpaid water and sewer bills, pursuant to Section 56-2-42 of the Detroit City Code.

Fenkell Connections will not be permitted to assign liability to a tenant under Section 56-2-42 of the Detroit City Code. A Fenkell Connection is defined as a single service line with multiple connections.

Section 3: Obligation of Owners to Pay

Except as clearly stated in any section of these policy and procedures, nothing shall be construed as relieving the owner of properties served by the Detroit Water and Sewerage Department from the responsibility of paying all charges for services billed.

As approved by Michigan Statute, MCL 123.162, MCL 141.121 and Detroit City Code Sections 56-2-40 and 56-6-13; water rates, assessments or charges of the Board of Water Commissioners are a lien against the property.

The rights and remedies available to the Department under these Policies and Procedures are cumulative and not alternative. Neither the failure nor any delay by the Detroit Water and Sewerage Department to enforce any provision contained in these Policies and Procedures is a waiver of its rights to enforce any provision contained in these Policies and Procedures.

PART II. BILLING, BILLS AND MAILINGS

Section 1: Frequency

- (1) The service address shall be the billing address. Upon written request, and proof of responsibility, the Detroit Water and Sewerage Department will mail bills to an address other than the service address. It is the responsibility of the owner to keep account mailing information current. An obsolete address will not be a reason for non-payment of the bill.
 - a. All customers shall be billed monthly.
 - b. All customer accounts will be billed by customer name and service address.
 - c. Bills will be mailed 21 days before their due date.

Current bills will include the following information:

- d. Customer name
- e. Service address
- f. Mailing address
- g. Account number
- h. Account classification
- i. Number of service days
- j. Meter size
- k. Meter read date
- l. Meter read
- m. A statement indicating the bill type
- n. Consumption in hundred cubic feet
- o. Previous balance
- p. Current payments
- q. Separate charges for water, sewage, drainage and miscellaneous debits and credits, as appropriate
- r. Due date
- s. Amount to be paid by due date
- t. Amount to be paid after due date.

The DWSD will bill accounts using the Rate Schedule approved by the Board of Water Commissioners. Rate Schedules will be made available to a customer upon request.

Section 2: Undeliverable Mail

The Detroit Water and Sewerage Department will mail a maximum of two (2) bill notices after notification of undeliverable mail from the U.S. Postal Service. Mailed bills that are returned twice from the United States Postal Service as undeliverable will cease being mailed. After a mailed bill is returned twice as undeliverable, if a forwarding address is provided to the Detroit Water and Sewerage Department by the United States Postal Service, the Detroit Water and Sewerage Department will mail a copy of the bill to the forwarding address and update the billing system with the forwarding address information.

The customer moving from the property is responsible for contacting the Detroit Water and Sewerage Department to terminate service and provide a forwarding address for the final bill.

Section 3: Actual Reads – Estimated Reads

- (1) The Detroit Water and Sewerage Department will strive to use actual meter reads for billing purposes. All customers are required to have the Automatic Meter Reading technology installed. Bills may be based upon estimated reads if the meter is non-functional or not installed. If a previous bill(s) was based upon an estimated read, all water metered, but not already billed, will be billed when the next actual read is obtained. No adjustment to the consumption billed will be granted if the meter is found to be accurate. Failure of the customer to provide access to the meter equipment and/or maintaining their plumbing will be grounds for shutting off the water service until the customer complies.
 - a. The customer is solely responsible for all water that flows through the meter. The Detroit Water and Sewerage Department will not assume responsibility for wastage caused by faulty plumbing, fixtures or pipes.
 - b. Bills will include fees for water, meter service, sewage disposal, sewage service, drainage and, as appropriate, high strength pollutant surcharge fees, industrial waste control, and fire line service fees. When applicable, bills may also include other charges such as meter repair, unrecovered meter charges, service repair charges, legal costs incurred by the department in an attempt to collect and outstanding debt, and any other charges as approved by the Board of Water Commissioners.
 - c. All parcels that contribute flow to the collection system will be billed drainage charges notwithstanding the properties occupancy/vacant status.
- (2) Upon request for a Real Estate Closing Read the Detroit Water and Sewerage Department will secure an actual read from the meter and issue a *guaranteed* closing bill. In the event the Detroit Water and Sewerage Department is unable to secure the

Real Estate Closing Read remotely, the Real Estate Closing Read fee will be billed to the account.

PART III. PAYMENT, COLLECTIONS, AND TERMINATION

Section 1: Payment and Collections

- (1) Payment of all bills must be delivered to the Detroit Water and Sewerage Department and are due on or before the due date on the bill statement.
 - a. The date the payment is received by the Detroit Water and Sewerage Department will be the date used for posting purposes.
 - b. Payments received by the Detroit Water and Sewerage Department after the due date will be treated as late and the account will be assessed a late fee equal to 5% of the amount billed.
 - c. Payments may be made by checks, money order, debit/credit cards or cash.
 - d. The Detroit Water and Sewerage Department may use one or more of the following available options to collect monies owed from delinquent accounts, including, but not limited to:
 - Discontinue water services until bill is paid.
 - Transfer delinquent water/sewerage balances to the City of Detroit Property Tax Division as an assessment to the property tax bill.
 - Revocation of Detroit business licenses where applicable.
 - Assign customer account to a Collection Agency.
 - Litigation.
 - e. The collection cost incurred in an attempt to collect a debt will be billed to the customer.
- (2) The Detroit Water and Sewerage Department will prepare two (2) delinquent bills as follows:
 - a. Past Due Notice: When a current bill is not paid in full by its due date, a notice requesting payment will be issued eleven (11) days after the bill becomes due.
 - b. **Water Shut Off Notice**: **A WATER SHUT OFF-FINAL NOTICE will be issued when an account is unpaid thirty-two (32) days after the billing due date.** The notice will be mailed directly to the mailing address provided, or delivered directly to the property 7 to 10 days of the pending shut-off date.
- (3) The WATER SHUT OFF-FINAL NOTICE will contain the following information:
 - a. The address of the property served.
 - b. A clear and concise statement of the reasons for the proposed shut off.

- c. A statement that water may be shut off in seven (7) to ten (10) calendar days, or anytime thereafter for any delinquent balance, unless the customer takes appropriate action.
- d. A statement informing the customer of the opportunity to enter into a Payment Plan Agreement with the Detroit Water and Sewerage Department, if the customer is presently unable to pay in full the amount due.
- e. The telephone number and address of the Department where the customer may make inquiry.

Section 2: Discontinuation and Termination of Service

- (1) The Detroit Water and Sewerage Department may discontinue service if a bill is not paid within seven (7) to ten (10) days of the date specified as "Notice Date" on the WATER SHUT OFF-FINAL NOTICE, or anytime thereafter.
- (4) The Detroit Water and Sewerage Department may discontinue service for non-compliance with our efforts to install Automated Meter Reading Technology upon prior notification.
- (5) Customers may request water service temporarily shut for repairs. If a customer requests to have service shut-off for repairs, they must have proper identification and ownership/responsibility information previously recorded with the Detroit Water and Sewerage Department.
- (6) Customers may request water service temporarily shut due to property vacancy with proper identification and ownership/responsibility information previously recorded with the Detroit Water and Sewerage Department.
- (7) Proof of ownership/responsibility may be required for turn on/ turn off requests received from Property Management Agencies when conducting business on behalf of the property owner.
- (8) Customers or their designee, 18 years of age or older will be required to be at the property to have water service restored. If requested, DWSD will restore water service without the customer or their designee present, however, by making such a request the customer waives his or her right to claim damages which may arise as a result of having the water service restored.
- (9) Service will not be discontinued for non-payment or non-compliance on a day immediately preceding a day when the Detroit Water and Sewerage Department offices will be closed to the general public, for the purpose of making payment and having service restored.

Section 3: Illegal Water Usage and Tampering with Detroit Water and Sewerage Property.

- (1) When necessary, the Detroit Water and Sewerage Department will check locations,

including, but not limited to locations where water has been shut off, for evidence of illegal water usage. Should the Detroit Water and Sewerage Department determine that an individual or location is illegally using water, it may take action to stop the illegal use and the owner of the location or customer(s) whose water is restored illegally will be assessed illegal usage fees based upon the Published Service Fee Schedule for violations. Customers who continue to illegally restore their water can have their service disconnected from the main and assessed additional fines for disconnection and/or reconnection.

- (2) No Person other than an authorized representative of the Detroit Water and Sewerage Department shall at any time turn water on or cause water to be turned on at the control box, or at a meter valve, which has been turned off for any reason by the Department. No person other than an authorized representative shall at any time or in any manner operate or cause to be operated any valve in or connected with a water main, water service, fire hydrant, or tamper with, or otherwise interfere with, any water meter, detector check valve, or other part of the water system. To do so is considered tampering with the intent to illegally consume water.
- (3) Unauthorized tampering with DWSD equipment, property or fixtures may incur a penalty charge for violation of this Section. The penalty charges are detailed below, but may also be computed by applying double the effective water rate to the consumption registered on the meter or estimated by DWSD for the period of unauthorized usage as determined by the Department. Unauthorized tampering with DWSD equipment, property or fixtures may result in prosecution under Michigan Public Act 37-1984, Michigan Compiled Laws Annotated, section 750-282 and application of such other sanctions and fines as approved by the Board of Water Commissioners of the City of Detroit.
- (4) The following fines will be enforced for illegal water consumption:
 - 1st Offense - \$250.00 Fine
 - 2nd Offense - \$500.00 Fine
 - On 2nd Offense, unless full payment of all fees are made, or an acceptable Payment Plan Agreement is entered into with the Detroit Water and Sewerage Department, the service line will be disconnected and an additional fine will be assessed - \$660.00 Disconnect/Reconnect Fine.

PART IV. PAYMENT ASSISTANCE PROGRAMS

Section 1: Payment Plan Agreement

Customers can enter into a Payment Plan Agreement (PPA) with the Detroit Water and Sewerage Department in accordance with the 10%, 30% or 50% down-payment plan as established by the Detroit Water and Sewerage Department. Customers who enter an agreement by visiting a Customer Service Office are required to make their down-payment immediately to validate the agreement. Payments must be made by certified fund by money order, debit/credit card or cash.

Residential Customers will be allowed to enter into a PPA under the following conditions:

- a. Customer must be at least 30 days delinquent
- b. PPA's will follow 10, 30, and 50 percentage deposit model

- c. Customers will be given the following timelines to pay off outstanding balances
 - \$450.00 and under- 6 months
 - \$451.00 to \$900.00 - 12 months
 - \$901.00 to \$1,350.00 - 18 months
 - \$1,351.00 and greater up to 24 months.

Commercial Customers will be allowed to enter into a PPA under the following conditions:

- a. Customer must be at least 30 days delinquent
- b. PPA's will follow 30 and 50 percentage deposit model
- c. Customers will be given the following timelines to pay off outstanding balances
 - \$1000.00 and less - 6 months
 - \$1001.00 and greater - 12 months

A copy of the payment plan agreement terms and conditions will be provided to the customer at the time the agreement is signed.

During the Tax Roll Referral period, all customers who have been designated as having a Tax Referral on their account are required to pay the balance in full with certified funds.

Section 2: Assistance Programs

Residential water customers who are at or below 150% of the federal poverty level are eligible to apply for financial assistance. As long as you meet the income qualifications and provide the required identification and documents, you may apply for assistance. Whether you have delinquent water bills or are current with your bills but struggle in paying on time, you are encouraged to apply. Please visit <http://detroitmi.gov/dwsd> for more information and updates to DWSD's assistance programs.

PART V. COMPLAINT PROCEDURES

Section 1: Formal Billing Complaints and Disputes

It is the responsibility of the registered customer on the account to inform the Department when a customer has a billing complaint or disputes the accuracy of a billing. The bill usage must have increased at minimum 30% above the average consumption for usage disputes, and/or a dispute a charge of \$100 or more for a drainage dispute, to qualify for review under the formal dispute process. If a dispute is submitted, the Detroit Water and Sewerage Department may:

- (1) Record the customer's name, service address, account number, telephone number, date and nature of the complaint. Provide the customer with a copy of these Billing and Collection Policies and Procedures.
- (2) If the dispute involves water usage, reread the meter and examine plumbing fixtures and pipes for possible wastage, if necessary.

- a. Test the meter for accuracy. The test will be conducted in the Detroit Water and Sewerage Department's meter shop in accordance with the American Water Works Association Standards. The customer may witness the meter test. The request to do so must be made in writing, prior to the time that the meter test is scheduled.
 - b. Allow the meter to be tested in an independent laboratory at the expense of the customer, if the Detroit Water and Sewerage Department test results are disputed. A representative of the Detroit Water and Sewerage Department must be present during the testing. The customer is responsible for the meter throughout the testing process.
 - c. Examine customer usage utilizing the Automatic Meter Reading (AMR) system reports in an attempt to resolve the issue.
- (3) DWSD may attempt to resolve the dispute informally and in a manner mutually satisfactory to both parties.
- (4) DWSD will advise the customer in writing of the results of the examination and the right to request a Hearing within fifteen (15) calendar days, if the examination results are disputed.
- (5) DWSD will advise the customer that failure to request a Hearing within fifteen (15) business days of the date on which the Hearing was offered, gives the Detroit Water and Sewerage Department the ability to exercise its rights pursuant to these Policies and Procedures, including termination of service for non-payment.

PART VI. ADMINISTRATIVE HEARING PROCEDURES

Section 1: Opportunity for Administrative Hearing

Upon completion of the investigation, the customer will be informed of the results of the investigation in writing.

- (1) If billing complaints are not resolved to the customer's satisfaction by staff investigation, the customer will be afforded an opportunity for a hearing before an impartial Hearing Officer through the City of Detroit Department of Administrative Hearings ("DAH"). Only the owner of record or a tenant with a valid landlord/tenant agreement may request a hearing with the Detroit Water and Sewerage Department. The customer will be charged a non-refundable administrative fee of \$25.00 to file the hearing request.
- (2) A hearing request must be personally submitted in writing at a Detroit Water and Sewerage Department Customer Service Office or at the DAH, or online, within fifteen (15) business days after the customer receives an investigation results letter. All requests for hearings received by the Detroit Water and Sewerage Department will be recorded and forwarded to the DAH. The DAH will send a notice of hearing to the requesting party.
- (3) Failure of the customer to request an administrative hearing within fifteen (15) business days of the date of the investigation letter, waives the customer's right to an

administrative hearing and the Detroit Water and Sewerage Department may terminate service for non-payment of the disputed bill on which the hearing was offered.

- (4) The Detroit Water and Sewerage Department is not required to offer an administrative hearing more than once for the same disputed bill.

Section 2: Payment of Undisputed Billings

- (1) In order to request a hearing and avoid shut-off or other collection actions, a customer must be current on all non-disputed billings. Additionally, the customer must have received a determination letter on the original dispute in order to request a hearing.
- (2) The administrative hearing is the last step in the administrative process
- (3) If the customer fails to pay a bill which is not in dispute, the Detroit Water and Sewerage Department may proceed to shut off the service. The Detroit Water and Sewerage Department may not terminate water services for a customer if the only arrearage on the account is the disputed amount.

Section 3: Notice of Administrative Hearing

- (1) The customer will be notified by certified letter of the time, date, and place of the hearing at least ten (10) days before the scheduled hearing. Receipt of the certified letter will serve as date of notification.
- (2) The notice will include a Pre-hearing Order which will indicate the deadline for DWSD and the customer to exchange documents which will be relied upon at the hearing.
- (3) Administrative hearings will be scheduled by the DAH according to availability of the Hearing Officer(s).

Section 4: Adjournment

- (1) A complainant who cannot attend a scheduled administrative hearing must request an adjournment at least 48 hours prior to the scheduled administrative hearing date.
- (2) Only one (1) adjournment will be granted.
- (3) Failure of the complainant to attend the Administrative as scheduled will constitute a waiver of the right to an Administrative Hearing. In this case, the disputed bill becomes due and payable immediately.

Section 5: Administrative Hearing Procedure

- (1) The parties have the following rights during the administrative hearing:
 - (a) To represent themselves or be represented by counsel. The customer must notify the DAH at least five (5) business days prior to the administrative hearing date if being represented by an attorney. Failure to do so will result in an adjournment.

- (b) To present witnesses, evidence, testimony and/or written arguments;
 - (c) To question and cross-examine witnesses appearing on behalf of the other party;
 - (d) To examine, no later than two (2) days prior to the administrative hearing, a list of all witnesses who will testify and have the right to examine all documents, records, files and other material which may be used at the hearing. The customer will be charged a nominal fee for copies of records.
- (2) The administrative hearing shall be held during normal business hours.
 - (3) All witnesses appearing for either party will testify under oath.
 - (4) The administrative hearing will be recorded by the DAH. The recording shall be the official transcript.
 - (5) If the customer desires a copy of the transcript, they must notify the DAH in writing. The customer will be responsible for the cost of the transcript.

Section 6: Burden of Proof

- (1) The person(s) who requested the administrative hearing will have the burden of showing that the disputed billing is incorrect by clear and concise evidence.
- (2) The Detroit Water and Sewerage Department will have the burden of showing that reasonable grounds exist requiring payment of the disputed bill(s). The burden of proof applies to water, sewer and drainage charge disputes.
- (3) Metered water consumption/usage is reasonable grounds for requiring payment.

Section 7: Hearing Officers

- (1) Hearing Officers will be qualified arbitrators or attorneys staffed by The City of Detroit Administrative Hearings Unit.
- (2) The Hearing Officer will determine whether or not the customer is liable for the disputed bill.
- (3) The Hearing Officer's decision will be based only on the evidence presented at the administrative hearing and applicable Legislative, Judicial and Administrative Law.
- (4) The Hearing Officer will allow both parties equal time to present their respective positions relative to the dispute, within the allotted time at the Administrative Hearing.
- (5) A copy of the Hearing Officer's decision will be in writing and will be made at the conclusion of the hearing or by way of certified mail.

Section 8: Payment Subsequent to Hearing

- (1) If the Hearing Officer determines that the Detroit Water and Sewerage Department is entitled to a sum of money, the customer must pay the entire amount owed or enter into a Payment Plan Agreement within five (5) business days of the issuance of the Hearing Officer's decision.
- (2) If the Hearing Officer determines that the customer is liable for all or part of the disputed bill and the customer is unable to pay the bill in full, the Detroit Water and Sewerage Department will consider the following factors when negotiating a Payment Plan Agreement:
 - (a) The amount due;
 - (b) Ability to pay;
 - (c) Other factors which may be relevant to the proposed extended Payment Plan Agreement

Section 9: Decision Binding Upon the Parties

The Hearing Officer's decision is final and binding upon both parties.