


Policy Title:	Establishing New Service Policy		
	OFFICE OF THE DIRECTOR CUSTOMER SERVICE DIVISION	Category	Water Service
		Administrative Policy #	[TBD]
		Revision #	000
		Review Frequency	As Needed – no less frequently than tri-annually
Administrative Division	Customer Service	Reviewed By	Chief Administrative Officer, General Counsel, Chief Customer Service Officer
BOWC Approval		Last Reviewed/Update Date	3/1/2018
Implementation Date	3/1/2018		

1. AUTHORITY

- 1.1. Under Michigan Act 178 of 1939, *Municipal Water Liens* (MCL 123.161, et seq.)("the Water Lien Act") and Chapter 56, *Utilities*, of the Detroit City Code ("City Code"), the Detroit Water and Sewerage Department ("DWSD") provides water and sewerage service to customers and under certain conditions, has a lien that becomes effective immediately upon the distribution of water or provision of sewerage system service on the premises or property supplied. Further, water and sewerage service may be discontinued for nonpayment of charges and/or civil collection action may be filed. Under Michigan Act 206 of 1893, *The General Property Tax Act* (MCL 211.1, et seq.) ("the Property Tax Act") , DWSD may enforce its lien by transferring same to the City's tax roll and pursue foreclosure.

2. OBJECTIVES

- 2.1. To ensure persons lawfully occupying a property have access to water and sewerage service and specify the conditions upon which service will be supplied.
- 2.2. To ensure compliance with the Water Lien Act and City Code in enforcing liens under the Property Tax Act for water and sewerage charges owed where the owner is responsible for payment.
- 2.3. To ensure liens are not enforced under the Property Tax Act for water and sewerage charges owed where the owner is renting out its property and the tenant is responsible for payment.

3. PURPOSE

- 3.1. DWSD has a duty and responsibility to all customers to collect charges for water and sewerage services. The national average collection rate for retail water and sewerage charges is 95% and DWSD strives to meet or surpass this rate. Optimal collection rates help reduce rates for all customers. DWSD must collect certain information from persons who wish to establish water and sewerage service in their name in order to legally pursue collection of unpaid charges. To further ensure optimal collection rates, DWSD must accurately measure water usage with best available metering technology. This policy will set forth the information and actions required to establish service.

- 3.2. Under the Water Lien Act and City Code, charges for water and sewerage service become a lien on the property immediately upon the distribution of water or provision of sewerage system service, *unless* there is an agreement between property owner and its tenant that the tenant is responsible for payment of water and sewerage charges. This policy will delineate DWSD's policy and procedures for documenting whether a lien attaches to the property, and address the rights of persons owning and renting property when water and sewerage charges are unpaid.
- 3.3. At times, owners responsible for payment of water and sewerage charges have delinquent balances and then rent out their property to tenants who agree to assume responsibility for payment of charges going forward. This policy will set forth DWSD's policy and conditions under which the tenants may establish service in their name.
- 3.4. Tenants occupying properties that fall into foreclosure for nonpayment of property taxes and/or water and sewerage charges and/or are subsequently auctioned or transferred to another person under the Property Tax Act may have the owner's authorization to continue residing on the property. This policy will address tenants' rights to establish service under these circumstances.

4. DEFINITIONS

"Customer" means an Owner, Landlord or Tenant that establishes an account for DWSD services.

"Landlord" means an Owner that enters into an agreement to rent a specific property to a Tenant or any third party property managers or representatives to whom Owner has delegated the authority to enter into agreements on Owner's behalf with others.

"Owner" means the person that holds legal title to a property.

"Parcel" means a plot of land identified by the City of Detroit Assessor with a unique identification number or "parcel number."

"Person" means an individual, business, partnership or corporate entity, or a governmental agency.

"Property" means a parcel or group of parcels treated as one unit for purposes of obtaining water and sewerage service.

"Sewerage" means a combination of the water-carried wastes from residences, business buildings, institutions, and industrial establishments, together with such ground, surface, and storm waters as may be present.

"Tenant" means a person who is not the legal title holder to a property but has the owner's actual or constructive authorization to occupy the property.

5. SCOPE

- 5.1. This policy applies to all Persons seeking water and sewerage services from DWSD, and addresses who may establish service and the information and actions required to do so.
- 5.2. This policy **does not apply** to multi-unit rental properties that have only one meter to service all units because a tenant may not establish service in his/her/its name only for a single unit. DWSD may make an exception on a case-by-case basis, for example:

- (a) A tenant in a "two-flat" or "duplex" building agrees to be responsible for water and sewerage charges for both units and has written authorization from Owner or Landlord to do so.
- (b) The owner or tenant in a multi-unit rental property agrees to pay for a separate meter to be installed for tenant's unit.

6. RESPONSIBILITIES

6.1. Owner, Landlord or Tenant must abide by the DWSD Water and Sewerage Service Terms and Conditions agreement.

6.2. DWSD is responsible for administration and oversight of this policy and will accept information from the following entities to administer this policy:

6.2.1. Wayne County Treasurer

- 6.2.1.1. On or about April 10th, a list of occupied and unoccupied homes foreclosed for current year.
- 6.2.1.2. List of all homes sold at September auction, including parcel number and name of purchaser, within 2 weeks of auction.
- 6.2.1.3. List of all homes sold at October auction, including parcel number and name of purchaser, within 2 weeks of auction.

6.2.2. City of Detroit Housing & Revitalization Department ("HRD")

- 6.2.2.1. List of all persons currently occupying homes in HRD's inventory.
- 6.2.2.2. Notarized letter confirming tenant has authorization to occupy a HRD property.
- 6.2.2.3. Letter or email stating when tenant no longer has authorization to occupy a HRD property.

6.2.3. Land Bank

- 6.2.3.1. List of all persons occupying homes in Land Bank's inventory.
- 6.2.3.2. Notarized letter confirming tenant is authorized to occupy a Land Bank property.
- 6.2.3.3. Letter or email stating when tenant no longer has authorization to occupy a Land Bank property.

7. POLICY

7.1. **Property Owners Establishing DWSD Service.** Owners who wish to establish DWSD service must do the following:

- 7.1.1. Provide proof of ownership of property (deed, land contract, documentation from Wayne County Treasurer regarding auctioned/transferred property)
- 7.1.2. Provide identification:
 - 7.1.2.1. Business Entities:
 - (a) W-9 or SS4 with Tax Identification Number
 - (b) Articles of Incorporation
 - (c) Work identification of Registered Agent or Corporate Officer authorized to act on behalf of entity
 - 7.1.2.2. Individuals:
 - 7.1.2.2.1. If United States citizen, Social Security number and one of the following as photo identification:
 - (a) Driver's license or state or city identification card

- (b) Passport
 - (c) Military identification
 - 7.1.2.2.2. If not a United States citizen (no Social Security number) then:
 - (a) Driver's license or state or city identification card or
 - (b) Passport
 - 7.1.3. Sign a Water and Sewerage Terms and Conditions of Service agreement.
 - 7.1.4. Allow DWSD to install Automatic Meter Reading technology (AMR) if Property does not have same. Owner is responsible for making necessary plumbing repairs to support installation of AMR.
 - 7.1.5. Pay a deposit, which will be credited to the account upon request after one year if owner's account does not have a delinquent balance. The deposit amount is subject to change based upon the Board of Water Commissioners' approved Schedule of Rates, which are available at DWSD or on its website.
- 7.2. Landlord Establishing DWSD Service.** Landlords who wish to establish DWSD service must do the following:
- 7.2.1. Provide proof of ownership (deed, land contract, documentation from Wayne County Treasurer regarding auctioned/transferred property) *and* proof of authority to lease Property (i.e. Power of Attorney, property management agreement), if Landlord is other than Owner
 - 7.2.2. Provide identification:
 - 7.2.2.1. Business Entities:
 - (a) W-9 or SS4 with Tax Identification Number
 - (b) Articles of Incorporation
 - (c) Work identification of Registered Agent or Corporate Officer authorized to act on behalf of entity
 - 7.2.2.2. Individuals:
 - 7.2.2.2.1. If United States citizen, Social Security number and one of the following as photo identification:
 - (a) Driver's license or state or city identification card
 - (b) Passport
 - (c) Military identification
 - 7.2.2.2.2. If not a United States citizen (no Social Security number) then:
 - (a) Driver's license or state or city identification card or
 - (b) Passport
 - 7.2.3. Sign a Water and Sewerage Terms and Conditions of Service agreement.
 - 7.2.4. Allow DWSD to install Automatic Meter Reading technology (AMR) if Property does not have same. Owner or Landlord is responsible for making necessary plumbing repairs to support installation of AMR.
 - 7.2.5. Pay a deposit, which will be credited to the account upon request after one year if Landlord's account does not have a delinquent balance. The deposit amount is subject to change based upon the Board of Water Commissioners' approved Schedule of Rates, which are available at DWSD or on its website.
- 7.3. Tenant Establishing Service.** A Tenant establishing DWSD service in her/her/its name must:
- 7.3.1. Provide proof of authorization to occupy Property, including but not limited to:

- (a) Lease agreement stating tenant is responsible for payment or affidavit of lessee responsibility, in a format prescribed by Board of Water Commissioners; or
- (b) Notarized letter from Detroit Land Bank or Detroit Housing & Revitalization Department; or
- (c) Three (3) methods of other proof of authorization to occupy Property, including: confirmation from Wayne County Treasurer that Property is an occupied property subject to foreclosure (if applicable), receipts for payment of rent and/or driver's license, state or city i.d. card, utility bills, tax returns, paychecks, government assistance checks and/or Social Security checks indicating the same address as Property for which Tenant seeks to establish water service.

7.3.3. Provide identification:

7.3.3.1 Business Entities:

- (a) W-9 or SS4 with Tax Identification Number
- (b) Articles of Incorporation
- (c) Work identification of Registered Agent or Corporate Officer authorized to act on behalf of entity

7.3.3.2. Individuals:

7.3.3.2.1. If United States citizen, Social Security number and one of the following as photo identification:

- (a) Driver's license or state or city identification card
- (b) Passport
- (c) Military identification

7.3.3.2.2. If not a United States citizen (no Social Security number) then:

- (a) Driver's license or state or city identification card or
- (b) Passport

7.3.4. Sign a Water and Sewerage Terms and Conditions of Service agreement.

7.3.5. Allow DWSD to install Automatic Meter Reading technology (AMR) if Property does not have same. Owner or Landlord is responsible for making necessary plumbing repairs to support installation of AMR unless otherwise agreed to in writing between Landlord and Tenant that Tenant will pay for repairs.

7.3.6. Pay a deposit. The deposit amount is subject to change based upon the Board of Water Commissioners' approved Schedule of Rates, which are available at DWSD or on its website.

7.4. Landlord Duties Where Tenant is Responsible for Payment of DWSD Services. If Tenant is responsible for payment of DWSD charges, Landlord must (MCL 123.165; Detroit City Code Sec. 56-2-42):

7.4.1. In order to avoid a lien attaching to property for Tenant's non-payment of DWSD services, ensure a fully executed copy of a lease stating Tenant is responsible for paying water, sewerage and drainage charges *or* an affidavit of lessee responsibility, in a format prescribed by the Board of Water Commissioners, signed by Landlord and Tenant is on file with DWSD *and* ensure tenant comes to a DWSD service center to establish service.

7.4.2. Notify DWSD when lease has terminated. If no notification, the ability to lien property resumes from date lease terminated, as best as same can be ascertained.

7.5. Tenant's Rights When Owner/Landlord Has Delinquent Balance. A Tenant who seeks to establish DWSD service in his/her/its name at a Property with a preexisting

delinquent balance owed by Owner/Landlord *is not required* to pay the Owner/Landlord's delinquent balance in order to establish service.

7.6. Tenant Establishing Service After Foreclosure of Property - Owner Was Responsible for Payment of DWSD Charges. If Tenant is occupying a Property that has gone to foreclosure for nonpayment of property taxes and/or water and sewerage charges and Owner had responsibility for payment of DWSD service, DWSD's policy is to protect pre-existing Tenant from service interruption.

7.6.1. Tenant's Rights. DWSD will allow Tenant to establish DWSD service in their name under the conditions set forth in Section 7.3 above between April foreclosure and auction. DWSD will compare Tenant's proof of authorization to occupy Property with name of Owner on Wayne County Treasurer data.

7.7 Tenant Establishing Service After Auction or Transfer of Property (MCL 211.78m). Upon auction of the leased premises under Sec. 78m of the General Property Tax Act or transfer to the City Land Bank or Housing & Revitalization Department under Sec. 78m(12) of the Act, DWSD's policy is to protect pre-existing Tenant from interruption of service.

7.7.1 Tenant's Rights. DWSD will allow tenant to establish DWSD service in their name under the conditions set forth in Section 7.3 above after auction or transfer to City. DWSD will compare Tenant's proof of authorization to occupy the Property with name of Owner on Wayne County Treasurer data.

7.7.2 New Owner's Duties – Auction Property. In order to avoid a lien attaching to property for Tenant's non-payment of DWSD services, new owner of auctioned property shall:

- (a) Ensure a fully executed copy of a lease stating pre-existing Tenant is responsible for paying water, sewerage and drainage charges *or* an affidavit of lessee responsibility, in a format prescribed by the Board of Water Commissioners, signed by Landlord and Tenant is on file with DWSD within ninety (90) days of purchase; and
- (b) Notify DWSD when lease has terminated. If no notification, the ability to lien property resumes from date lease terminated, as best as same can be ascertained.

8. PROCEDURE

8.4. Receipt of Information. DWSD shall request identification and proof of authorization to occupy Property and will make a copy of same for DWSD records. DWSD may request preexisting Customers to verify information on file whenever Customer has contact with DWSD. DWSD will enter Customer information in the billing system.

8.5. Confirmation of AMR. DWSD will confirm whether AMR is present at the Property. If AMR must be installed, DWSD will notify Customer of DWSD's policy that Property will not receive water service until an AMR meter is installed and that Owner, Landlord or Tenant is responsible for making necessary plumbing repairs to support installation of AMR.

8.6. Receipt of Deposit. DWSD will provide a receipt for deposit payments made at service centers.

8.7. Information Provided to Customer. DWSD will provide Customer with the following information:

- (a) Copy of Water and Sewerage Terms and Conditions agreement.

8.8. Enter work order into system to establish service.