



CITY OF **TRAVERSE CITY**

Utility Customer Service Practices, Policies and Procedures

May 2025

Upon adoption of this policy, all previously adopted policies, practices, writings, and procedures relevant to the topics in the table of contents are repealed.

**City of Traverse City
Practices, Policies and Procedures
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1. Application for Service

Requests for new services for water and sewer are taken by the Customer Service Department at 400 Boardman Avenue or by calling 231-922-4431.

Services established are to be in the name of the legal occupant of the property, i.e. the owner, legal tenant, or a guardian or personal representative if the owner or tenant should be incapacitated. Any service set in the name of a person who becomes deceased is required to be changed to the name of the legal occupant or owner of the property.

Commercial customers will be required to provide their federal tax ID number. When you request utility services, you may need to provide information such as your name, spouse or roommate's name, service address, and/or valid lease agreement. The receipt and acceptance of the application for services constitutes the applicant becoming a customer of the City of Traverse City.

2. Refusal of Service/Prior Balance Transfers

The City of Traverse City reserves the right to deny access to utility services to individuals with outstanding or delinquent accounts. Additionally, in the event a customer signs up for services and is found to have an outstanding balance on a previously closed account, that balance will be transferred to the new account.

- 3. Customer Account Change (Adopted July 28, 1998)** When a person requests that a residential utility account be placed in his or her name, and where that person has resided at the address where the utility service was provided and there is an outstanding past due amount, the customer account name will only be changed upon payment in full of all past due amounts.

4. Establishment of Rates

The water and sewer utility rates are reviewed and established by the City Commission. This is in accordance with the City of Traverse City charter section 1044.16 for water, 1043.39 for sewer.

5. Security Deposits

All tenants will be required to pay a security deposit equivalent to one month's estimated billing, except in cases where a lessor has filed an affidavit with the City (Exhibit A, page 9). The amount will be held by the City to cover any outstanding bills and potential damages to service infrastructure, including service pipes, cocks, stop boxes, and water meters used in providing services to the premises. If there is an affidavit on file, the account must also adhere to Requirements for Customers with Affidavit (Section 13, pages 7-8).

Customers with an affidavit on file will be refunded in accordance with Requirements for Customers with Affidavit (Section 13, pages 7-8). If there is not an affidavit on file, when a customer account is closed, the security deposit will be applied to the outstanding balance. The deposit may be applied to any outstanding accounts the customer has with the City. If the deposit exceeds the balance owed, the difference will be refunded to the customer.

6. Payment Methods

For your convenience a variety of payment options exist.

All payment options can be found at the City's website:

<https://www.traversecitymi.gov/government/city-departments/treasurer/pay-utilities.html>

7. Late Payment Charges

Utility bills are rendered monthly and are due upon receipt. Accounts are considered past due if payment is not received by the due date indicated on the monthly statement.

A one time two percent penalty will be assessed on the current unpaid balance twenty five days after the bill is generated.

If a payment is late, the customer will receive notices in accordance with the Termination of Service (Section 9, page 3).

The Customer Service Department reserves the right to reduce or disconnect any or all of a customers' service for nonpayment of past due bills or for utility payment items returned unpaid by a financial institution. An unpaid utility account balance may be transferred to another utility account with the same customer.

8. Payment Arrangements

If you are unable to pay in full, we accept payment arrangements. To make payment arrangements, please contact the Collection Specialist at 231-922-4430 or in-person at 400 Boardman Avenue. Customers may need to sign a payment arrangement agreement outlining a plan to settle both current and overdue portions of their bill, ensuring the balance owed decreases over time. Typically, payment arrangements for overdue bills should be resolved within ninety days, unless otherwise authorized by the Treasurer's Department.

Delinquent water and sewer charges may be subject to property tax liens as per the *Codified Ordinances of Traverse City, Michigan*.

9. Termination of Services

This portion provides for the processes and procedures in handling non-payment of customer water and sewer bills. It is intended to minimize delinquencies and bad debt write-offs in an effort to ensure accountability and equity among all customers. This policy is also intended to ensure the safety of customers, as it relates to termination of services.

Termination of service procedure – Customers who are more than 30 days past due are subject to termination of services procedures below:

- a. **Utility disconnect notice** shall be sent by first-class mail if payment is not received within forty-two (42) days of the original bill date. The purpose of this notice is to advise the customer that the City may terminate their services within twenty-one (21) days of the notice date if the past due balance is not paid in its entirety. Additionally, this notice may give notice that the City may file suit in 86th District Court if the past-due balance is not paid in its entirety. The Customer shall be responsible for court filing fees and service fees, as allowed by law; these charges may be charged on a Customer's account.
 - b. **Final delinquency notice** shall be placed on the door or delivered where the service is provided if payment is not received within fourteen (14) days of the City delinquency/disconnect notice. The final delinquency notice shall allow the customer at least one (1) day to pay the delinquent amount but no more than fourteen (14) days without new notification. A fee may be assessed to a customer account for the delivery of such notice. The fee shall be in accordance with the "AMENDED RESOLUTION ESTABLISHING WATER RATES, WATER SERVICE CHARGES AND SEWER RATES" as approved by the City Commission.
 - c. **Termination of water & sewer service** may be completed on or after the date printed on the final delinquency notice if all of the steps described have failed to cause payment of the delinquent balance for a customer account.
 - d. **Non-sufficient funds (NSF)** checks shall also be cause for termination of water and sewer services. If the NSF check was written to avoid termination of services for non-payment, the service shall be disconnected immediately upon notice of non-sufficient funds. A fee shall be assessed for each NSF check in accordance with the "Schedule of Miscellaneous Charges" as approved by the City Commission.
2. **Payment arrangements** – may be negotiated on a case-by-case basis with the City. The customer may be required to sign an agreement that indicates a plan to pay current and future billings, as well as delinquent portions of the bill, such that the balance owed on the account declines rather than increases.
 3. **Reconnection of utility service** – Any customer that has had service disconnected for non-payment shall pay their entire account balance plus a reconnect fee, in advance, to be eligible for service reinstatement. A supervisor may allow a customer's services to be reinstated after paying only the delinquent or lesser portion of their account balance, should circumstances warrant. The reconnect fee shall be in accordance with the "Schedule of Miscellaneous Charges" as approved by the City Commission. In addition, a security deposit, letter of credit, or other collateral may be required prior to service reinstatement. The amount and conditions shall be dependent on the specific circumstances of each individual case.

4. **Other remedies** – Termination of service for non-payments will not foreclose the City from other remedies for collection of amounts owing on a customer account. The City may pursue other remedies, without availing itself of the termination of service remedy.

5. **GENERAL SHUTOFF OR FLOW RESTRICTION (IF APPLICABLE) RULES**

1. When a customer fails to pay for sewer service, the City may shut off or restrict flow (if applicable) of the related water service to prompt payment by the customer.
2. The City shall refund any late fees, fines, or payments related to a shutoff or flow restriction (if applicable) or resumption of service if those late fees, fines, or payments were improperly assessed because of failure to provide notice as required by these Rules.
3. Notwithstanding other requirements of these Rules, service may be shut off or temporarily for reasons of health or safety, or in a state or national emergency. When service is shut off for these reasons, a reasonable attempt shall be made to leave a notice at the premises affected.
4. The City may shut off, restrict flow (if applicable), or terminate service to a customer for any of the following reasons:
 - a. The customer has not paid a delinquent account that accrued within the last six (6) years.
 - b. The customer has failed to provide a deposit or guarantee as required.
 - c. The customer has engaged in unauthorized use of the City's services.
 - d. The customer has failed to comply with the terms and conditions of a payment plan.
 - e. The customer has failed or refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, removal, or replacement of equipment that is installed upon the premises.
 - f. The customer misrepresented their identity for the purpose of obtaining service and/or avoiding payment of prior delinquencies. Or the customer put the services in another person or organization's name without their permission.
 - g. The customer has violated any rules of the City so as to adversely affect the safety of the customer or other persons or the integrity of the utility system.
 - h. For residential accounts, any person(s) living in the customer's residence that has an unpaid delinquent account for services with the City. The City may transfer a prorated amount of the debt to the customer's account, based upon the length of time the customer lived at the customer's residence. This subdivision does not apply if the customer was a minor while living in the person's residence.

- i. The customer has not paid for service at a premises occupied by another person or organization and it is not feasible to provide service to the occupant as a customer without a major revision, as determined by the City, of existing distribution facilities.
5. Service shall not be shut off or have flow restricted (if applicable) unless a notice is sent to the customer by first class mail or is personally served not less than ten (10) days before the date of the proposed shutoff or flow restriction. A record of the date the notice was sent shall be maintained.
6. A notice of shut off or restricted flow (if applicable) shall contain all the following information:
 - a. The name and address of the customer, and the address at which service is provided, if different.
 - b. A clear and concise statement of the reason for the proposed shutoff or flow restriction (if applicable) of service.
 - c. The date on or after which service may be shut off unless the customer takes appropriate action.
 - d. The telephone number and address where the customer may make inquiry or file a complaint.
7. Service may be shut off to a customer on the date specified in the notice of the shut off or within ten (10) days following that date. If service is not shut off and a subsequent notice is sent, then service shall not be shut off before the date specified in the subsequent notice.
8. Shut offs shall occur only between the hours of 8:00 AM and 3:00 PM, Eastern Standard Time and shall not be shut off on a day, or a day immediately preceding a day when services cannot be restored.
9. Not later than two hours before the close of the City's business on the day service is shut off or flow restricted (if applicable), the City shall make a reasonable attempt to leave a notice at the customer's service address, stating that the service has been shut off or restricted and providing the address and telephone number where the customer may arrange to have service restored. Alternatively, a contact in-person or by telephone may be made with an adult who identifies themselves as a person living at a residence or representing an organization providing the same information within the same time-frame.
10. Reasonable efforts shall be made to restore service on the day the customer requests restoration. Except for reasons beyond the control of the City, the service shall be restored not later than the first working day after the customer's request.
11. A charge may be assessed for restoring service.
12. Subject to applicable third-party consent, a customer will be permitted to designate a third party to receive bill notifications, including shutoff notices, on the customer's behalf. In the event a landlord may incur liens as a result of delinquent balances, the landlord may request

third party notification of shutoff notices for their tenants. In the event such potential liens exist and the landlord is unaware, the City at its discretion, may proactively notify landlords of such delinquencies by setting up third party notification. Such notices shall be provided to both the designated third party and the customer.

13. These rules shall be part of the terms and conditions of the contract for service between the City of Traverse City and the customer.
14. These Rules are subject to change and may be supplemented by the City of Traverse City from time-to-time.

10. Reconnection Fees

There is no initial connection fee for **new** service, other than water tap fees.

Any customer who has service disconnected for non-payment must pay, in advance, a reconnect fee as established within the resolution establishing water rates to have service reinstated.

In addition, a security deposit of up to three months may be required prior to service reinstatement. The amount and conditions will depend on the specific circumstances. The customer may be required to pay their account in full including any current amounts due.

11. Billing Adjustments for Customers Policy (Adopted January 28, 1997)

If the City of Traverse City overcharges a customer due to a billing or metering error, the utility shall refund or credit the amount of the overcharge. The utility is not required to adjust, refund, or credit an overcharge for more than the three years immediately preceding discovery of the error. Any refunds over three years require Commission approval.

If the utility undercharges a customer, the following provisions apply:

- In cases that involve meter tampering or fraud, the utility may backbill the customer for the amount of the undercharge.
- In cases that do not involve meter tampering or fraud, the utility may backbill the customer for the amount of the undercharge during the 12-month period immediately preceding discovery of the error, and the utility shall offer the customer reasonable payment arrangements for the amount of the backbill, taking into account the period of the undercharge.

12. Disputed Bills

The following shall be the Department's policy in processing disputed bills:

1. Undisputed bills, or portions of bills, must be paid prior to investigation of disputed bills.
2. The Collection Department will record the date that any disputed bill, or disputed portion of a bill, first comes to the attention of the Department.
3. The Collection Department will promptly investigate the dispute and advise the customer as to its findings.
4. The Collection Department will attempt to resolve the dispute in a manner satisfactory to all parties.

5. If a settlement agreement is not reached, then the customer shall be advised that an opportunity for a hearing on the matter is available, and the Collection Department shall mail to the customer that section of this Collection Policy.

It shall be Department policy whenever a disputed bill is not resolved, that the customer may request a hearing before a Hearing Officer who will be an attorney appointed by the City of Traverse City. Hearings shall be conducted according to the following procedure:

1. After receiving notification from the Department that a hearing is available under provisions for handling disputed bills, the customer has five (5) days to request the hearing. The request can be made by either telephone, or in writing, to the Department.
2. On receipt of the hearing request, the Department will forward the request to the Hearing Officer.
3. The Hearing Officer will schedule a date, time and location for the hearing during normal business hours, and notify all parties in writing. Failure of any party to attend the hearing will constitute a waiver of right of that party to the hearing.
4. The Department and customer shall:
 - a. Have the right to be represented by counsel or other persons of their choice.
 - b. Have the right to present evidence, testimony and oral and written argument.
 - c. Have the right to examine witnesses appearing on behalf of the other party.
5. For each hearing, the Hearing Officer shall compile a hearing record, which will contain:
 - a. A concise statement, in writing, as to the position of the Department in relation to the dispute.
 - b. A concise statement, in writing, as to the position of the customer in relation to the dispute.
 - c. Copies of all evidence submitted by the parties.
6. Upon closing the record of a hearing, the Hearing Officer shall state his or her decision, in writing, within five (5) working days after the hearing, and shall mail to both the customer, and the Department, a copy of the written decision which shall contain:
 - a. A concise summary of the evidence and argument presented by both parties.
 - b. A statement that the Hearing Officer's decision is based solely on the evidence presented, what the decision is, and the reasons therefore.
 - c. Advise that either party, or their representative, can file an appeal with the Commission, if done so within ten (10) days of the decision mailing date.
 - d. If the decision is not appealed by either party within ten (10) days, then the decision becomes binding.
7. In the event that a decision is appealed to the City Commission, then the Commission will determine a final resolution for the dispute. The losing party shall bear the costs of the Hearing Officer.

13. Requirements for Customers with Affidavit

The following shall be the Department's policy in accepting affidavits.

1. If the account has an affidavit on file the account must adhere to 1 of the following:
 - a. The landowner must coordinate the purchase and installation of a flow restricting meter with the Water Department. All costs associated with the purchase and installation shall be paid by the landowner.
 - i. In the event of non-payment this flow restricting meter may be used to restrict flow as a means of collection following the procedures listed in Termination of Services and General Shutoff or Flow Restriction (if applicable) Rules.
 - b. The landowner must provide a security deposit equal to the sum of 6 months of

service costs

- i. The amount will be held by the City to cover any outstanding bills and potential damages to service infrastructure, including service pipes, cocks, stop boxes, and water meters used in providing services to the premises. The deposit may only be applied to the water/sewer account the customer has with the City.
- ii. If the tenant changes, the security deposit will be applied to the outstanding balance. **If the deposit exceeds the balance owed, the difference will be refunded to the landowner.**

<p>Approved By: Elizabeth Vogel on 5/22/2025</p> <p><u>E. Vogel</u> Signature:</p>	<p>HISTORY:</p> <p>Update: 05/22/2025</p> <p>Supersedes City of Traverse City and Traverse City Light and Power Utility Customer Service Practices, Policies and Procedures revised in May 2007</p> <p>References City of Traverse City Code of Ordinances</p>
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Exhibit A

DISCLAIMER AFFIDAVIT

STATE OF MICHIGAN)

:ss

COUNTY OF GRAND TRAVERSE)

The undersigned, _____, being first duly sworn, does under oath state as follows:

1. The undersigned is a Landlord with respect to the following described property:

2. The Tenant with respect to the above described property is: _____
3. The property is subject to a lease in which the Landlord and the Tenant have agreed that the Tenant will be solely responsible for payment of all electric and/or water and sewer charges with respect to the leasehold property from _____ through _____. The expiration date of the lease is _____.
4. The undersigned Landlord/Affiant represents to the governmental authority that 20 days' notice shall be given by the Landlord of any cancellation, change in, or termination of the lease.
5. This Affidavit is given pursuant to the provisions of MCL 123.165; MSA 5.2531 (5) which precludes the governmental authority from claiming a lien for unpaid electric and/or water and sewer charges incurred during the term of the above-referenced lease.

Landlord signature _____

Mailing address: _____

Subscribed and sworn to before me on _____, _____,
County, Michigan.

My commission: _____ Signature: _____

Date Notary Public

NOTE: Please attach lease agreement for each Affidavit filed.