


TOWN OF OCEAN VIEW
DELAWARE

June 3, 2021

TO: Honorable Mayor and Council

FROM: Dawn Mitchell Parks, Finance Director 

VIA: Carol S. Houck, Town Manager 

SUBJECT: Water Collection Policy

Attached you will find Chapter 213 of Town Code pertaining to Disconnection for Nonpayment and the Town's Water Collection Policy dated September 2013. The purpose of this memo is to discuss with Council the inequality between improved properties on the Town's Water System and properties receiving water services from Tidewater Utilities.

The following procedure was set up with Tidewater in 2013 following Council's adoption of the Collection Policy. Since that time at Council's direction (we are told), the Town directed Tidewater Utilities to not shut off for non-payment, but liens have been placed.

- Quarterly bills are mailed in January, April, July, and October and are due within 30 days of the original bill date.
- 50 days from the original bill date, Tidewater sends a notice.
- At 60 days from the original bill date, Finance mails a delinquent letter allowing 15 days to pay or establish a payment arrangement.
- At 75 days from the original bill date, Finance mails a final delinquent letter allowing 15 days to pay or establish a payment arrangement.
- At 90 days from the original bill date, the account is referred to the Town Solicitor allowing 10 days to pay or establish a payment arrangement (adds an additional \$100 Attorney Fee per the Town Fee Schedule to the balance due).
- At 100 days from the original bill date, Finance requests a municipal lien to be placed on the property (adds an additional \$300 reimbursable legal fee per the Town Fee Schedule to the balance due along with any additional billings or fees that have been added since the 60-day mark).

Tidewater Utilities procedure for properties that are not on the Town's Water System are as follows:

- Quarterly bills are mailed in January, April, July, and October and are due within 15 days of the original bill date, with a 5-day grace period.
- At day 30 from the original bill date, a shut off for nonpayment notice is mailed.
- At day 50 from the original bill date, accounts are eligible to be turned off for nonpayment. Subsequently, if full payment is still not received, a turn off is scheduled for within 30 days.
- Shut offs are processed Monday through Thursday with reconnections processed Monday through Friday.

As noted above, Town water system customers and direct Tidewater Utility customers are not being treated the same.

As of June 1st, the Town had the following delinquent accounts which are comprised of Improved and Unimproved properties including eight (8) accounts with 4 or more quarters that have liens placed on the property. At this time only two (2) accounts have made payment arrangements:

Quarters Delinquent	No. of Accounts	Total Due	
13	1	3,490.99	
9	1	3,398.43	
7	2	1,959.76	One sold at Sheriff Sale 3/16
6	2	1,503.93	
4	2	429.16	
3	2	1,537.02	Both on Payment Plans
2	20	5,924.50	
1	58	9,136.35	
Totals	88	27,380.14	

It is therefore recommended that Mayor and Council authorize Town Staff to advise Tidewater Utilities to shut off service for non-payment effective with the July 6th billing for improved property water system customers that are 60 days delinquent and not on or adhering to a payment plan.

For unimproved properties with Town Water Availability, there will be no change to the procedure. If not paid within 100 days of the original bill date, Finance will request a municipal lien to be placed on the property.

The Finance Department has and will continue to work with residents in financial crisis to set up payment arrangements.

SINCE 1889

TOWN OF OCEAN VIEW

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DISCONNECTION TO PUBLIC WATER SERVICE

Ocean View Town Code, Chapter 213 WATER, Article III. Disconnection for Nonpayment

(Adopted 6-8-2009 by Ord. No. 250)

§ 213-6. Procedure established.

Water service may be disconnected by the Town of Ocean View for nonpayment of water service bills, pursuant to the following procedure:

- A. A water service bill shall be delinquent if it is not paid by the end of the month following the month of billing.

Upon delinquency of any water service bill, the Town of Ocean View shall send notice notifying the owner and tenant of said property that water service will be disconnected at said property due to nonpayment of water service bills, at a date stated in the notice, said disconnection date to be not sooner than 10 days following the date of mailing or following the hand delivery of said notice.

- B. Said notice shall be sent by first class mail with proof of mailing or hand delivered to the owner of any property provided with water service in the Town of Ocean View at the last known billing address of such owner. Said notice shall also be sent to any tenant of said property provided with water service in the Town of Ocean View.
- C. A similar notice shall be posted on the structure receiving water service. Posting shall suffice as notice to the tenant.
- D. Said notice shall notify the property owner and tenant that disputed bills may be brought to the attention of the Town Manager of the Town of Ocean View within three business days following the date of mailing, hand delivery or posting, whichever is later, in order that the Town Manager may review the accuracy of the bill. If the property owner or tenant is not satisfied with the determination of the Town Manager with respect to the disputed bill, said property owner or tenant may appeal the decision of the Town Manager to the Town Council by filing an appeal within one business day following the review of the bill by the Town Manager. The appeal shall be heard at the next regularly scheduled meeting of the Town Council. The property owner or tenant may present its arguments concerning the disputed bill to the Town Council at said meeting. Any decision of the Town Council with respect to the disputed bill shall be final.

The charge for water disconnection for nonpayment will be \$150 (Adopted 6-8-2009 by Ord. No. 250)

§ 213-7. Reconnection fees; late fees.

- A. **A reconnection fee in the amount of \$150** shall be paid to the Town of Ocean View, in addition to the payment of water service bills which are in arrears, in order that water service can be restored.
A reconnection fee in the amount of \$200 shall be paid to the Town of Ocean View for each subsequent reconnection for nonpayment within a period of one year.
- B. Upon delinquency of any water service bill, a late fee in the amount of 1.5% per month will be assessed.
- C. Charges for water shall be a lien upon the premises pursuant to 25 Del. C. Chapter 29 or as it may hereafter be amended. Such lien shall have preference and priority as set forth therein.

Town of Ocean View Water Collection Policy

POLICY

It is the policy of the Town to promptly collect amounts owed in order to meet its budgeted expenditures. Property owners within the Town's Water System district should remit balances owed in accordance with payment terms provided for in Chapter 213 of the Town Code. Collection efforts should be timely and consistently applied. Collection efforts should follow a progressive series of increasingly firm letters and may, for seriously delinquent accounts, require involvement from the Town Solicitor and/or disconnection of water service.

PROCEDURES

Invoices mailed on behalf of the Town by Tidewater Utilities, Inc. ("TUI") should be paid within 30 days of receipt. Interest may also be assessed at the rate of 1.5% per month.

Those customers failing to pay any balance due to the water system shall incur an interest fee of 1.5% of the outstanding charges due each month until payment is made. This interest fee shall be assessed 30 days following the date a charge is due.

In addition to the fees set forth in Chapter 213 of the Town Code, the costs to be assessed in all legal proceedings brought pursuant to this chapter may include reasonable attorney's fees incurred by the Town in connection with each proceeding.

DISCONNECTION FOR NONPAYMENT - Water service may be disconnected by the Town of Ocean View for nonpayment of water service bills, pursuant to the following procedure:

1. A water service bill shall be delinquent if it is not paid by the end of the month following the month of billing.

<u>Month of Billing</u>	<u>Payment Due Date</u>
January	February 28
April	May 31
July	August 31
October	November 30

Upon delinquency of any water service bill, the Town of Ocean View shall send notice to the owner and tenant of the property that water service will be disconnected at the property due to nonpayment of water service bills, at a date stated in the notice, the disconnection date to be not sooner than 10 days following the date of mailing or following the hand delivery of the notice.

2. The notice shall be sent by first class with proof of mailing or hand delivery to the owner of any property provided with water service in the Town of Ocean View at the last known billing address of such owner. The notice shall also be sent to any tenant of the property provided with water service in the Town of Ocean View.

3. A similar notice may be posted on the structure receiving water service. Posting will suffice as notice to the tenant.

4. The notice shall notify the property owner and tenant that disputed bills may be brought to the attention of the Town Manager of the Town of Ocean View within three business days following the date of mailing, hand delivery or posting, whichever is later, in order that the Town Manager may review the accuracy of the bill.

5. Disconnection Fees will be in accordance with Chapter 213 of the Town Code.

RECONNECTION FEES

1. A reconnection fee shall be paid to the Town of Ocean View, in addition to the payment of water service bills which are in arrears, in order that water service can be restored. A reconnection fee shall be paid to the Town of Ocean View for each subsequent reconnection for nonpayment within a period of one year.

2. Charges for water service shall be a lien upon the premises pursuant to 25 Del. C. Chapter 29 or as it may hereafter be amended. Such lien shall have preference and priority as set forth therein.

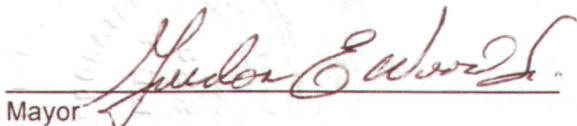
3. Reconnection Fees will be in accordance with Chapter 213 of the Town Code.

SERVICE RESTORATION

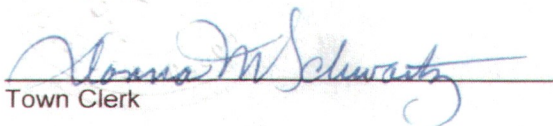
1. All delinquent charges, including Disconnection and Reconnection Fees, must be made to the Town of Ocean View by cash, certified check or money order. Payment is to be made at the Town offices located at 201 Central Avenue, Ocean View, DE 19970. No payment arrangements will be made once water service is disconnected.

THE FOREGOING WATER COLLECTION POLICY AND PROCEDURES ARE HEREBY ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF OCEAN VIEW ON THIS 10TH DAY OF SEPTEMBER, 2013.

Mayor



Town Clerk



9/10/2013