
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: MATT ANASTASIA, FINANCE DIRECTOR
SUBJECT: DISCUSSION: AMENDING THE FINANCIAL POLICIES – UTILITY BILLING POLICY FOR THE VILLAGE OF SUGAR GROVE
AGENDA: DECEMBER 3, 2024 REGULAR BOARD MEETING
DATE: NOVEMBER 27, 2024

ISSUE

Shall the Board discuss amending the Financial Policies – Utility Billing Policy (New).

DISCUSSION

The Village Board passed the current financial policies at the Board meeting held on September 20, 2022, where it amended the Purchasing Policy section. Over the years, there have been some internal policies within the Utility Billing Department regarding processes and policies. Staff has requested to start having the Village Board review and approve the policies that are happening in practice. With that comes adding a new Utility Billing policy to our Financial Policies document.

I have compiled a listing of the items the department Staff have come up with and would like Village Board input on:

Pool Filling

The Village does not offer any credit for Pool Fillings each summer. Generally, we direct Residents to contact Fox Metro as they will give a credit as they are not treating as much Sanitary Sewer. Fox Metro receives our Water usage reads and uses those for their billing purposes.

Sod Watering

The Village does not offer any credit for Sod Watering. Residents are required to get a Sod Watering Permit from the Building Department.

Waiving of Penalty

Residents are allowed up to 1 waiving of penalty for missed payment in a 12-month period. These are reviewed as requested by the Resident.

Outstanding Utility Balance for Permits

The Community Development Department does not check with the Utility Billing Department to verify there are no outstanding balances prior to issuance of a building permit.

There are also current written policies to review. I have attached those policies for review.

Attachments

- Payment Agreement Policy
- Account Adjustment Policy
- Delinquency Policy
- Survey of Surrounding Communities – Policies in Question

COST

There is no cost to discuss adding a Utility Billing policy to the Village's Financial Policies.

RECOMMENDATION

That the Village Board discuss the policies and direct Staff on how to proceed.

VILLAGE OF SUGAR GROVE
UTILITY/REFUSE BILLING ACCOUNT
PAYMENT AGREEMENT POLICY

PURPOSE

There are many good reasons to allow for an extension of time for customers to pay their utility bill. Assisting our customers in a time of need helps to foster a positive image of the Village. Payment plans are meant to be used from time to time and not habitually.

The purpose of this policy is to establish procedures regarding customer billing and payment concerns and provides guidelines for delayed payments (payment agreement).

The Village of Sugar Grove Utility Bill Account Modification Policy is herein established to maintain the integrity of the Village Utility and Refuse Accounts.

The Village acknowledges that unique facts and circumstances may arise from time to time. In such a case, the Village Administrator, or his or her designee, may elect to take additional actions not listed herein on a case-by-case and non-precedential basis.

DEFINITIONS

Delinquent/Late Payment:	Any payment not received on or before its due date.
Shut Off:	Water service termination.
Payment Agreement:	Agreement between customer and the Village to extend payments over an agreed amount of time to bring the account current.

POLICY

This policy is herein established to ensure that all customers of the Village are treated equally and provides guidelines to ensure the integrity of the Water, Sewer, and Refuse accounts. Further, this policy is meant to ensure, that due to the inability of some customers to make payment, the system remains solvent and the inability of some does not cause any undue burden to others.

GUIDELINES

Payment Agreement

As a courtesy to customers with unpaid utility/refuse bills, the Village of Sugar Grove may grant a payment plan if upon review of the facts and circumstances the Finance Director or their designee deems a payment plan to be warranted. Customer must have a clean payment record

(as deemed by the Finance Director or Accounting Manager). Only one such plan shall be allowed per account during any rolling 12-month period.

- The customer must agree to pay a deposit. The deposit amount will be \$100.00 or 1/4 of the outstanding bill rounded up to the nearest even dollar amount, whichever amount is greater.
- No agreement shall be longer than five (6) months (1st month Deposit, 5 months of payments).
- An agreement will not be established after the due date of any month.
- Late fees and other charges will **stop** accruing as long as plan is followed.
- Deposit must be submitted when agreement is signed.
- Agreement may only be signed by the resident and an authorized person in the Finance Department.
- Agreement must be signed to be considered in force.
- A copy of the signed payment agreement will be given to the signer. A copy will also be mailed to the service address.
- On a monthly basis, the customer must pay the payment agreement amount plus the current amount on or before the due date.
- The Payment Agreement shall be considered delinquent and service may be disconnected with no further notice if:
 - payment is not received on or before the monthly billing due date
 - no payment is received
 - a payment is returned or reversed for any reason
- Shut off of service will result unless the full amount outstanding be due and payable immediately in cash, cashier's check, money order, or credit card.
- If a customer moves within our service territory, the Agreement will transfer to the new account and continue without interruption. If the customer moves out of our service territory, they will be required to pay off the Agreement with the final bill.
- Discretion may be used in individual cases as circumstances warrant.

Special Extension Periods

Notwithstanding the foregoing, there are two (2) situations where payment plans may be established with special extension periods:

- Leak Not Eligible for Adjustment - When a leak on a property does not fall within the policy for a leak adjustment, a payment plan may be allowed for up to 12 months.
- Back Billing - An account that requires back billing for up to three years may have a payment plan established for a maximum of 1 year / 12 months.

RESPONSIBLE VILLAGE OFFICIAL

The Finance Director or their designee shall be the Village official responsible for the overall implementation and administration of this Policy.

PAYMENT PLAN BREAKDOWNS

# Months	Amount Due
2	\$1 - \$149
3	\$150 - \$299
4	\$300 - \$449
5	\$450 - \$599
6	\$600 +

VILLAGE OF SUGAR GROVE
UTILITY/REFUSE BILLING ACCOUNT ADJUSTMENT POLICY

PURPOSE

There are many good reasons to adjust a bill. Assisting our customers in a time of need helps to foster a positive image of the Village. Adjustments are meant to be used from time to time and not habitually.

The purpose of this policy is to establish procedures regarding customer billing and payment concerns and provide guidelines for billing adjustments.

The Village of Sugar Grove Utility Bill Account Adjustment Policy is herein established to maintain the integrity of the Village Utility and Refuse Accounts.

The Village acknowledges that unique facts and circumstances may arise from time to time. In such a case, the Village Administrator, or their designee, may elect to take additional actions not listed herein on a case-by-case and non-precedential basis.

DEFINITIONS

Unusual Charges:	Undercharged or overcharged as a result of incorrect meter readings, incorrect application of the rate schedule, incorrect connection of the meter, faulty meter, or other similar reason.
Adjustment:	A change in meter reading or charges incurred.
Manual Meter Reading:	A reading obtained from the physical meter head.
Estimated:	A reading produced by the billing system when no reading is obtained.
Seasonal Pattern:	For the water/sewer system the usage months of June/July/August/September.
Mechanical Failure:	Water Meter and/or Transmitter fails to provide a reading (blank) or has remained the same reading for at least 2 months.
Shut Off:	Water service termination.
Back billing:	Billing for services received/provided and not billed.
Tag:	Notice of service termination.

POLICY

This policy is herein established to ensure that all customers of the Village are treated equally, provide guidelines and ensuring the integrity of the Water, Sewer, and Refuse accounts.

GUIDELINES

Billing / Read Adjustments

The following items are to be followed when considering adjusting a meter reading. This pertains to those customers that contact the Village regarding what they consider an inaccurate meter reading.

If the meter is functioning, the Unusual Charges procedure shall be followed. Estimated readings are not considered unusual charges.

Customers calling regarding an estimated read shall be asked to provide a manual read. No adjustments shall be considered until a reading is obtained and/or equipment is replaced.

Fee Adjustments

- Voiding of a late or tag fee may be allowed once in a rolling calendar year (12 months).

Unusual Charges

- Unusual water usage as measured by the meter.
- The meter appears to be working properly.
- In the event of a leak, the Village may adjust the sewer portion of the billing by 50%.
- The customer is unable to identify any reason for the unusual usage.
- The Village may adjust the water and sewer usage for unusually high amounts by up to 50% of the amount above normal.
 - Normal usage shall be determined by an analysis of 24 months prior use.
 - Only prior actual reads will be utilized.
 - Seasonal patterns should be utilized when identifiable.
 - If prior use pattern shows other unusually high reads, no adjustment will be provided.
- If new information comes to light at a later date indicating that there was a strong likelihood that there was in fact a meter error, the charge for the remaining usage above normal shall be credited/returned.
- Discretion may be used in individual cases as circumstances warrant.

Meter Test

At times a meter may warrant testing or be requested by the customer to check for accuracy.

- If the Village believes there is reason to test the meter, removal and testing, either in-house or through an outside testing service, will be 100% at the Village's expense.
- If the Village does not believe a test is warranted, a customer may request the meter be removed and tested. Customer will be responsible for paying 100% of the cost including staff time. Current costs are \$250 for in-house testing and \$350 for outside testing. If the meter is found to be less than 95% accurate, the customer will not be charged the meter testing fee.

- If the meter is found to be greater than 95% accurate, it may be reinstalled at the Village's discretion. There will be no charge for reinstallation.
- If the meter is found to be greater than 95% accurate, the customer may request a new meter with the customer paying 100% of the meter charge.
- No late fees or penalties shall accrue on the disputed portion of the bill while the investigation is underway.
- If the customer record indicates current or past attempts to falsify readings, disconnect or damage the meter or in any other way defraud the Village, no adjustment will be provided.
- If a customer has been undercharged or overcharged as a result of an incorrect application of the rate schedule or incorrect connection of the meter, there shall be an adjustment made.
- Customer should be provided verbally with instructions on how to check for leaks in their residence or directed to the Village's website containing the information.

Mechanical Failure

- Normal usage shall be determined by an analysis of 24 months prior use.
- Only prior actual reads will be utilized.
- Seasonal patterns should be utilized when identifiable.
- The Village may adjust the water and sewer usage by up to 50% of the amount above normal.
- Adjustment to be made upon replacement of meter.

RESPONSIBLE VILLAGE OFFICIAL

The Finance Director or their designee shall be the Village official responsible for the overall implementation and administration of this Policy.

VILLAGE OF SUGAR GROVE

DELINQUENCY POLICY

PURPOSE

The purpose of this policy is to establish procedures regarding customer billings that are past due and provide guidelines for collection of past due accounts.

The Village of Sugar Grove Utility Bill delinquency Policy is herein established to maintain the integrity of Village Utility and Refuse Accounts.

The Village acknowledges that unique facts and circumstances may arise from time to time. In such a case, the Finance Director, or their designee, may elect to take additional actions not listed herein on a case-by-case and non-precedential basis.

DEFINITIONS

Past Due Notice:	Letter sent to customer and/or owner regarding past due account (30 days).
Delinquent Notice:	Letter sent to customer and/or owner regarding delinquent account (60 days).
Shut Off:	Water service termination.
Penalty:	Billing for services received/provided and not billed.
Tag:	Notice of service termination.
Tag Fee:	Fee assessed when a door tag is placed to notify customer of impending shut off.
Restoration Fees:	A fee assessed to restore services.
Payment Agreement:	Agreement between customer and the Village to extend payments out over an agreed amount of time to bring the account current.

POLICY

This policy is herein established to ensure that all customers of the Village are treated equally, provide guidelines, and ensure the integrity of the Water, Sewer, and Refuse accounts. Further, this policy is meant to ensure, that due to the inability of some customers to make payment, that the systems remain solvent and the inability of some does not cause any undue burden to others.

GUIDELINES

On a monthly basis an aged trial balance shall be produced. Customers that are 90 days delinquent shall be notified. The notification shall include:

- Delinquent amount
- Current Amount
- Due Date
- Payment type accepted
- Last date payment will be accepted
- Form of payment
 - Payments that are made on or prior to the due date shall be taken in all current acceptable forms of currency.
 - Payments made after the due date shall be accepted only in cash, cashier's check, money order, or credit card. No exceptions shall be made.

All unpaid charges shall result in a lien being filed on the property. Liens shall be prepared as authorized in the Village Code 8-1-21. A notice of lien shall be filed with the Kane County Recorder with a copy sent to the property owner.

As a courtesy to customers with unpaid utility bills, the Village may grant one (1) payment plan per account during any rolling 12-month period; upon review of the facts and circumstances the Finance Director or his/her designee deems a payment plan to be warranted.

RESPONSIBLE VILLAGE OFFICIAL

The Finance Director or their designee shall be the Village official responsible for the overall implementation and administration of this Policy.

Municipality	Pool Filling Credit	Sod Watering Credit	Waiving of Penalty	Payment Plan
Batavia	Yes	Yes	1 per 12-months	No
Elburn	No	No	Case by Case	1 per 12-months
Geneva	No	No	1 per 12-months	1 per 12-months
Genoa	Yes - Temp. Meter Provided	Yes - Only for New Homes	1 per 12-months	Yes
Gilberts	No	No	No	1 per 12-months
Hampshire	No	No	Case by Case	Yes
Kingston	Yes	No	Case by Case	Yes - Extreme Cases
Maple Park	No	No	1 every 5 years	Case by Case
Montgomery	No	No	1 per 12-months	1 per 12-months
Pingree Grove	No	No	One-Time Adjustment	No
Poplar Grove	Yes - 1 per year	Yes - Only for New Homes, within one year of closing	Case by Case	Yes
Sleepy Hollow	No	No	Case by Case	Case by Case
Wauconda	No	No	1 per 12-months	Case by Case - No more than 4 months
Yorkville	No	No	1 per 12-months	Yes - Late Fees not waived.