

ORDINANCE NO. 1015

AN ORDINANCE REVISING THE DATES ON WHICH UTILITY TERMINATION NOTICES MAY BE SENT AND ADDING A SUBSECTION FOR PAYMENT PLAN AGREEMENTS AND REMOVING THE FEE FOR SHUTTING OFF SERVICE VOLUNTARILY AND REGULATING THE TRANSFER OF SERVICE.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CHAPMAN, KANSAS:

SECTION 1. That the Code of the City of Chapman is hereby amended by replacing Chapter 15, Article 1, in its entirety, with the following language which reads as follows:

ARTICLE 1. GENERAL PROVISIONS

15-100. Approval.

The governing body of the City of Chapman shall approve the necessary ordinances and approve rules and regulations pertaining to the effective management and operation of all city utilities.

15-101. Definition.

For purposes of this article "utility services" shall include water, electrical, sewer, solid waste (refuse) and other utility services provided by the city.

15-102. Rules.

The rates, rules and regulations herein established shall be considered a part of a contract with every person provided with water, electrical and sewer service by the City of Chapman. Persons applying and receiving utility services shall be considered as consenting and to be bound thereby. In the event of violation of any rules and regulations in force, utilities shall be cut off from the premises or place of violation and will not be turned on again except by order of the city administrator, or his/her duly authorized agent on a payment of the expense of restoring utility services, and upon such other terms and adopted policies of the city after satisfactory assurance that there shall be no further cause for complaint. Any advance payment made by the offender may be retained by the city.

15-103. Utility bills.

All utility bills shall be rendered monthly for water, electricity and sewer, and shall be due and payable on the 20th day of each month. A penalty of 10% (less the amount of the sewer charge) will be added to any utility not paid by the 21st day of the month; and if the bill and late charges are not paid by the 26th day of the month, service may be disconnected. Whenever payment has not been made by the end of the business day on the last day of the month, the city shall have the right to terminate utility service after notice and hearing, as provided in section 15-107:108. Before service shall be restored, the customer shall pay the bill, penalty and connection fees.

15-104. Security deposit.

(a) A deposit securing payment of customer accounts for utility services provided by the City of Chapman shall be paid to the City Clerk by all applicants for utility services before services are connected or commenced. Utility services include electric, water and wastewater.

(b) The minimum security deposit shall be \$150.00 for residential locations and \$300.00 for commercial locations. Persons or businesses renting or leasing three or more residential properties in the city shall pay a multiple property deposit pursuant to paragraph F and its associated requirements, below. A receipt for any deposits made to the city shall be issued to each depositor.

(c) The deposit so made shall be kept in a separate account and the deposit designated "Utility Deposit Fund." Interest shall be payable at the rate determined yearly by the Kansas Corporation Commission and credited to the customer's account January 1st of each calendar year.

(d) Upon the discontinuance of any service at the request of any depositor, the deposit shall be refunded with accrued interest upon surrender of the original receipt less any amount due owing the city for services furnished prior thereto or the deposit may be credited toward the payment of the final bill rendered to the customer.

(e) Any security deposit not refunded within three (3) years after Discontinuance of service shall be deposited in the utility funds of the city upon compliance with the provisions of K.S.A. 12-822, as amended.

(f) Persons or businesses who own three (3) or more residential properties which are leased or rented to the public shall be subject to the following with regards to utility deposits:

(1) The property owner shall pay city utility deposits pursuant to the following graduated schedule based upon the number of rental properties they own in the city:

3 - 5 properties shall pay a deposit of \$500

6 - 10 properties shall pay a deposit of \$750

11- 20 properties shall pay a deposit of \$1,500

21 or more properties shall pay a deposit of \$2,000

(2) Property owners shall provide a list of all properties covered by their deposit and shall notify the city within five (5) business days of any changes.

(3) Property owners shall complete any forms required by the city related to this section.

(4) Upon payment of the multiple property deposit the city will, upon notification that service is being discontinued by the property renter or lessor, complete service account discontinuation procedures, including meter readings, and close the renters account with final billing being transmitted.

(5) The service, however, will not be turned off, but placed back into the name and account of the property owner. The multiple property deposit on account with the city will be honored and no additional deposit will be required from the property owner to open a new account in their name.

(6) When the property is subsequently rented or leased, the owner or renter shall notify the city, at which time the city will complete the service account discontinuation procedures, including meter readings, and close the property owner's account with final billing being transmitted to the property owner for the utility service which was provided during the interim period between renters.

(7) The new renter or lessor will then be responsible for setting up their own utilities account with the city pursuant to all charges and fees required.

(8) All connection fees for water and electricity shall be the responsibility of the property owner when service is placed under their account.

(g) The following properties shall not be charged a utility deposit under section 15-104:

(1) Property owned or managed by the Chapman Housing Authority

(2) Chapman Valley Estates

15-105. Connection fee.

(a) At the time of making application for utility service, the property owner or customer shall make a nonrefundable nor nontransferable cash deposit in the amount set forth below and said deposit shall be construed nonrefundable and shall not be utilized or applied on accrued bills or billing statements. A receipt for said deposit shall be issued to each such customer or depositor. Said deposit shall be considered as a service connection fee and all persons making application for utility service, whether it be a new service or whether it be a service at a new location shall be required to make said deposit.

(b) The service connection fee for utility services shall be in the following amounts, to wit:

(1) Water Service - \$40;

(2) Electric Service - \$60;

(3) Exceptions: Whenever an existing homeowner, who has previously paid a cash deposit on a household and is requesting connection of utilities on a temporary basis for rental property actually owned by the homeowner, then and in that event a cash deposit shall not be required. However, this exception shall not apply to renters of the property and said renters will be required to pay the cash deposit as set forth above when requesting utility service. Provided further that if utility service for a household in the City of Chapman, Kansas has been disconnected by the hearing officer for failure to pay the utility bill, then and in that event a nonrefundable cash deposit shall be required in order to reconnect said utility service regardless of who is making said request for reconnection. Provided further that the City Clerk shall maintain a file consisting of statements of property owners who rent residential property within the City of Chapman, Kansas wherein the owner of said property may authorize the City of Chapman to continue utility services should the utility services be terminated by the renter and said statements shall specifically state that the property owner authorizes the city to continue utility services after reading the meter of the previous customer and placing the new account in the real estate owners name. Thereafter the property owner shall be responsible for payment of all utility bills pertaining to said property. Then and in that event so long as the property owner has made a prior cash deposit for utility services, no new deposit shall be required.

(c) Utility service connecting fees will be collected and credited as follows. to- wit: \$40.00 to the water works fund and \$60.00 to the electric light fund.

(d) Upon disconnecting use of any utility service, the customer will pay all amounts due and said service connecting deposit fee shall not be utilized for the purpose of paying an outstanding utility bill as said service connecting fee is deemed nonrefundable.

15-106. Delinquent accounts.

Delinquent utility accounts may be sent to a commercial debt collection contractor who may collect their standard fee in addition to the amount of the delinquent utility bill. The customer shall be responsible for payment of the collection fees in addition to the delinquent utility account. The timeframe for submittal of delinquent utility accounts to a commercial debt collection contractor shall be established by written city policy.

15-107. Notice; hearing.

(a) If utility bill has not been paid on or before the due date as provided in this chapter (the 20th day of the month), a delinquency and termination notice shall be issued by the city clerk within three (3) days after the delinquency occurs and mailed to the customer at his or her last known address. A copy also shall be mailed to the occupant of the premises if the occupant and the customer are not the same person.

(b) The notice shall state:

(1) The amount due, plus delinquency charge;

(2) Notice that service will be terminated if the amount due is not paid by end of business day on the last day of the month, unless the date on the notice to pay the charges due shall be on a Saturday, Sunday or legal holiday, in which event such notice will give the consumer until the close of the next business day in which to pay the charges;

(3) Notice that the customer has the right to a hearing before the designated hearing officer;

(4) Notice that the request for a hearing must be in writing and filed with the city clerk no later than three (3) days prior to the date for termination of service.

(c) Upon receipt of a request for hearing, the city clerk shall advise the customer of the date, time and place of the hearing which shall be held before shutoff on the first of the month following receipt of the request.

15-108. Same; finding.

Following the hearing, if the hearing officer shall find that service should not be terminated, then notice of such finding shall be presented to the city clerk. If the officer finds that service should be terminated, an order shall be issued terminating service on the first day of the month after the date of the hearing, five (5) days after the date of the order. The customer shall be notified either in person or by mailing a letter to his or her last known address by certified mail, return receipt requested. However, if the order is made at the hearing in the presence of the customer, then no further notice need be given. The hearing officer has a right, for good cause, to grant an extension, not to exceed ten (10) days, for the termination of such service.

15-109. Reconnection and Service Transfer charge.

The governing body shall establish, by ordinance, a water service reconnection charge and service transfer fee.

a. Any service disconnected due to delinquency shall be reconnected only upon payment of the delinquent bill, interest penalty thereon, and a reconnection charge of \$100.

b. Any account which is current may have service transferred from one service location to another upon payment of a Service Transfer Fee of \$100.

15-110. Petty cash fund.

A petty cash fund in the amount of \$1,000 is established for the use of the city utilities department, for the purpose of paying postage, freight, temporary labor, and other emergency expenses, including refund of deposits made to secure payment of accounts.

15-111. Same; deposits.

The petty cash fund shall be deposited in the regular depository bank of the city and paid out on the order of the city clerk by check which shall state clearly the purpose for which issued.

15-112. Same; vouchers.

Whenever the petty cash fund becomes low or depleted, the city clerk shall prepare vouchers covering expenses as have been paid from the petty cash fund and shall submit such vouchers together with the paid checks to the governing body for review and allowance of the amounts from the regular funds of the utilities. Warrants issued therefor shall be payable to the petty cash fund and shall be deposited therein to restore said petty cash fund to its original amount.

15-113. Payment Plan Agreements.

a. The City Administrator shall have authority to enter into Payment Plan Agreements with utility customers which provide for payment of delinquent utility accounts while keeping the city utility service connected.

b. The agreements shall be in writing and signed by the customer and City Administrator or by his/her designee.

c. The agreement shall state the agreed terms and due dates for payments, as applicable.

d. The City Administrator may enter up to two (2) Payment Plan Agreements each year per customer.

e. The customer shall be considered as the same person if the name on the account is changed with the original customer still residing at the service location.

f. Payment Plan Agreements may not be transferred to a different service location.

SECTION 2. Any Payment Plan Agreements in place on the date of passage shall remain in force until terminated or concluded.

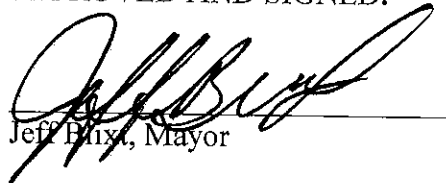
SECTION 3. This ordinance shall take effect and be in force as of the date of its passage, approval and publication as provided by law.

SECTION 4. All prior versions of Chapter 15, Article 1, of the Code of the City of Chapman are hereby repealed in their entirety.

PASSED AND APPROVED by the Governing Body of the City of Chapman, Kansas, a

majority being in favor thereof, this 12th day of September, 2017.

APPROVED AND SIGNED.


Jeff Bixt, Mayor

ATTEST:



Erin Tilton

City Clerk