

# CHAPTER 54: UTILITY RULES AND REGULATIONS

## *Cross reference:*

*Garbage collection billing procedures, see § 50.20*

## UTILITY BILLING PROCEDURES

### § 54.05 UTILITY RULES AND REGULATIONS

1 All connections and all service shall be made on a fully metered basis and free water service shall not be allowed or permitted to any customer, including the City itself. Each place of residence and/or commercial entity shall have separate meters and billing accounts.

2. No connections to the water, gas or sewer pipes of the system shall be made except by or under the supervision of a duly authorized officer, agent or employee of the City and after approval of an application submitted with required tap-on fee and any deposit that may be applicable. No service will be installed unless there is a main distribution line existing along the road from which service is required. If service is desired on the same side of the road as the water main, the meter shall be installed within 5 feet of the water main, if feasible, or immediately adjacent to City easement on customer side. If service is desired on the opposite side of the road from the water main the service line will be run under the road and a meter installed on the right of way at no additional cost other than the tap-on fee.

3. The City shall read the utility meters monthly, on or about the first through the 17<sup>th</sup> of each month, or as soon thereafter as may be practical and feasible. Bills shall be mailed to customers for services on or about the first of each month after reading the meters, or as soon thereafter as may be practical and feasible.

All customers are required to pay the amount of their bill in full and without discount on or before the 15<sup>th</sup> day of the month when the payment is due. Any outstanding balance of the utility account shall be considered delinquent and a late payment penalty of five (5) percent of the current charge will be added to the delinquent bill. On the next business day after the 15<sup>th</sup> of the month a delinquent notice will be mailed to all delinquent accounts. The delinquent notice will reflect any previous amount due with the additional five (5) percent added.

The delinquent notice will serve as final notice of payment. The delinquent amount must be paid in full by the close of business of the first working business day of the month. If payment is rendered by the close of business of the first day of the following month that account will be disconnected from service within 24 hours.

At the time of the disconnect order the customer's deposit will be applied to their delinquent account. In order for the customer to have service reconnected the entire outstanding balance of the account must be paid in full. The customer will now be responsible for the delinquent months amount (minus deposit if applicable), the five (5) percent late payment penalty, the new deposit amount if applicable and a

reconnect charge. An administrative fee which will be the same charge as the reconnect charge will be applied to the account regardless if service is disconnected in order to cover the costs associated with maintaining the account in good standard.

Example of billing process:

For utility usage for the month of January, the meter will be read between the first and 17<sup>th</sup> of February.

Bill will be processed and mailed no later than the first of March.

Bill is due by 15<sup>th</sup> of March.

If payment is not made on the 15<sup>th</sup> of March the account will be assessed a five (5) percent late payment penalty. Notice of the delinquent will be sent on the 16<sup>th</sup>.

Bill must be paid in full by April 1, or the next business day thereafter.

On April 2, or next business day, service will be disconnected.

By this time the customer will owe for February and March. The customer would be required to pay all amounts due (less deposit amount) before service is reinstated.

Total owed by the customer will be the bill for February and March, applicable deposit (depending on whether the account is for water or sewer) and a reconnect fee.

The reconnection will be made within 24 hours. If the customer is willing to wait 72 hours the reconnection fee will be less.

4. When a check, draft, note or other negotiable instrument is received by the utility department for payment of a utility account and is returned without payment and/or dishonored for payment of non-sufficient funds or any other reason, the account shall be treated as if no payment had been received and the late payment penalty will be assessed pursuant to the provision of Paragraph three (3) of the document. In the event of non-sufficient funds occurrence the account will be charged an insufficient fund fee of \$30.00. If notification of non-sufficient funds is after the 15<sup>th</sup> of the month then the account shall be classified as delinquent as outlined in Section 3 of this document and the same procedures shall be followed. The only additional application is the insufficient fund fee.

5. City may discontinue service to a customer for the theft of service, or for the appearance of theft devices on the premises of customer. The city shall not be required to restore service until the customer has complied with all rules and regulations of the utility and Commission and the City has been reimbursed for the estimated amount of service rendered and for any cost incurred including service

charges by reason of the fraudulent use as may be determined by a Court of proper jurisdiction.

6. Customers who wish to have service disconnected must give at least three days notice to that effect; service will be discontinued (meter removed) during working hours Monday – Friday.

7. A deposit for water and/or gas service as set by ordinance may be required prior to service being connected. If a customer is moving from one premise to another a deposit shall be transferred to the new property and the unpaid balance from the prior bill be posted to the current bill. Upon termination of service, the deposit plus 6% interest actually earned after the first year will be applied to any unpaid bills of the customer, and if any balance or credit remains on the bill that amount will be billed or refunded to the customer.

8. The point of delivery is the point where the meter is located on the customer's premises or right of way. All water and gas lines, and equipment beyond the meter shall be installed and maintained by the customer. All water service lines beyond the meter setting should be installed of material consisting of copper, polyethylene or PVC pipe with a rating of not less than 200 PSI. The size of service line beyond the point of delivery shall not be less than  $\frac{3}{4}$ .

All gas service lines beyond the meter shall consist of vinyl coated steel on polyethylene pipe (ASTM D-2513, PE2406 or PE3406). Polyethylene pipe shall not be permitted beyond the point of entry into the building or foundation. The size of the service line beyond the point of delivery shall not be less than 1  $\frac{1}{4}$  inch. The customer shall install a shut off valve immediately adjacent to the meter on the customer's side. If the customer's point of use is at a high elevation the customer may not receive adequate pressure. The customer should consult with a reputable engineering firm to size the service line from the point of delivery. System operator shall determine the best location for meter, line, etc., and need for new or replacement of meter equipment.

9. The customer must agree to permit the City to lay, maintain, repair or remove such lines and meters which are the property of the City's located on the customer's property with the right of ingress and egress over customer's property. The customer shall maintain the meter location, keeping it free of debris and accessible to the meter readers or service personnel at all times. If meters are not accessible to the meter readers the customer will be notified in writing and the customer's bill will be estimated no more than three times before being disconnected. The customer will be responsible for service charges for disconnect and reconnect and the actual amount of usage registered on the meter.

10. City will use reasonable consistency in supplying service, but shall not be liable for breach of contract in event of, or for loss, injury or damage to persons or property resulting from interruption, excessive or inadequate water pressure, or otherwise unsatisfactory service, whether or not caused by negligence, as may be determined by a Court of proper jurisdiction.

11. As Noted in No. 2 above and by Ordinance, metered service connections are required by the City for each residential or commercial building and no additional taps on the customer's side of the meter is allowed. Additions or changed in load are reviewed in order to determine theft of service. Should theft of service be discovered, the customer for theft as well as any damage to any of the city's lines or equipment caused by the additional or changed installations.

12. The customer shall notify the City immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble or accidents affecting the water supply.

13. The customer shall pay the cost of any special installation necessary to meet the customer's requirements for service other than the standard tap.

14. No person shall maliciously, willfully, or negligently break damage, destroy, uncover, deface, or tamper with any structure or equipment with is part of the City's public works including specifically metering equipment. Any person violating this provision shall be subject to immediate discontinuation of water service and shall pay the cost of repairing or replacing the equipment.

15. The City may, at the customer's request relocate and/or change existing system owned equipment. The customer shall reimburse the City for such changes at actual cost.

16. There shall be one leak adjustment per customer per twelve-month period. The customer must provide proof that a leak was present and repaired. An adjustment shall be made for not longer than a one-month period.

The adjustment will be computed by the following formulas:

Water:

Total Usage \_\_\_\_\_ \$ \_\_\_\_\_

Normal Usage \_\_\_\_\_ \$ \_\_\_\_\_

Leak Usage \_\_\_\_/2 \_\_\_\_\_ = adjustment amount \_\_\_\_\_

Gas:

Total Usage\_\_ \_\_\_\_\_ \$ \_\_\_\_\_

Normal Usage \_\_\_\_\_ \$ \_\_\_\_\_

Leak Usage \_\_\_\_\_

Leak usage x \*C/Gas Rate ( ) \*Columbia Gas of KY

Adjustment Amount \$ \_\_\_\_\_

17. Whenever a meter in service is found upon periodic request or complaint test to be more than 2% fast, additional tests shall be mad at once to determine the average error of the meter. If the result of the test shows an average error greater than 2% fast or 2% slow, then the customer's bill will be computed for the period in which the meter error occurred. If the period in which the meter error existed is unknown, then the bill will be computer for one-half of the elapsed time since the last previous test, but in case to exceed twelve months. When a meter is tested an it is found necessary to make a refund or back bill a customer, the customer shall be given written notification of the date, location and results of the test, as well as the amount to be deducted from or added to his regular bill.

18. The city may disconnect service to any property, which has failed to comply with any City Ordinance regarding utilities. At such time as public sewer becomes available to a property served by a private wastewater disposal system a direct connection shall be made to the public system. No unauthorized person shall uncover, make any connections with or opening into, use alter or disturb any public sewer or appurtenance thereof without first obtaining a written permit from the City of City agency.

19. A separate sewer connection shall be provided for every building; except where one building stands at the rear of another on an interior lot.

20. The charge for collection of garbage and trash shall be billed either to the occupant of the property or the owner of property as reflected in the Pike County Property Valuation Administrator's Office. The City may disconnect utility services to any property for which there is an unpaid garbage and/or trash collection fee. The City may include the charge to any utility service bill issued by the City to owner of the property in the event that the occupant does not pay the fee, regardless of whether the utility service bill in which the fee, if added for other utilities being supplied to the property. The City may also disconnect to any person, regardless of whether those utility services are connected to the property in which the outstanding fee incurred.

The charge for collection of garbage and trash shall be billed either to the occupant of the property or the owner of property as reflected in the Pike County Property Valuation Administrator's Office. The City may disconnect utility services to any property for which there is an unpaid garbage and/or trash collection fee.

21. All extensions to the systems transmission or service mains required to service a private development shall be subject to a Line Extension Agreement executed between the developer and the City.

22. In cases where a private developer transfers or assigns line extensions and or appurtenances to the City, the developer agrees to permit an on-site inspector designated by the City to inspect such lines and appurtenances during the construction phase of the project. Such proposed plans of line extensions shall be submitted to proper state authority for approval.

23. A charge will be assessed for a trip to recheck a meter reading when the customer requests the meter to be rechecked for a correct reading and the reading was found to be correct.

24. By request and payment, a customer may have his meter tested provided request by customer is not more frequent than once each twelve months. If such test shows the meter to be more than two percent fast or slow the bill will be credited or adjusted accordingly.

25. A charge per trip shall be made for service investigation during regular working hours if interruption of service is not caused by failure of the City's facilities. Any maintenance and repair of facilities beyond the City's delivery point is the responsibility of the customer.

## **UTILITY CONSTRUCTION REQUIREMENTS**

### **§ 54.10 REQUIREMENTS FOR CONSTRUCTION OF UTILITIES.**

(A) No person, partnership, public or private corporation or other governmental agency or combination thereof shall begin the construction of any plant, equipment, property or facility for the furnishing to the public of water services or natural gas services or sanitary sewage disposal services within the corporate limits of the city or extensions of such existing systems within the corporate limits of the city without first obtaining the approval and waiver of the city.

(B) Any person, partnership, public or private corporation or other governmental agency who has obtained the right and authority to construct any plant, equipment, property or facility for furnishing to the public of any water services, natural gas services or sanitary sewer disposal services shall prior to construction of the same within the corporate limits of the city submit to the City Engineer its plans and specifications, certified by an engineer or architect. The designs and plans must conform with the existing utility construction regulations adopted by the city. Before commencing construction, the City Engineer must certify that the construction of any such plant, equipment, property, facility or extension of the same does conform with the city's existing utility construction regulations.

## **IDENTITY THEFT**

### **§ 54.10 IDENTITY THEFT PREVENTION PROGRAM**

This Program is intended to identify red flags that will alert our employees when new or existing accounts are opened using false information, protect against the establishment of false accounts, methods to ensure existing accounts were not opened using false information, and measures to respond to such events.

## **Contact Information:**

The Senior Management Person responsible for this program is:  
Pikeville City Manager  
Phone number: 606-437-5100

The Governing Body Members of the Utility will be:

## **All sitting members of the Pikeville City Commission**

## **Risk Assessment:**

The City of Pikeville has conducted an internal risk assessment to evaluate how at risk the current procedures are at allowing customers to create a fraudulent account and evaluate if current (existing) accounts are being manipulated. This risk assessment evaluated how new accounts were opened and the methods used to access the account information. Using this information the utility was able to identify red flags that were appropriate to prevent identity theft.

- New accounts opened In Person
- New accounts opened via Telephone
- New accounts opened via Fax
- New accounts opened via Web
- Account information accessed In Person
- Account information accessed via Telephone (Person)
- Account information is accessed via Telephone (Automated)
- Account information is accessed via Web Site
- Identity theft occurred in the past from someone falsely opening a utility account

## **Detection (Red Flags):**

The City of Pikeville adopts the following red flags to detect potential fraud. These are not intended to be all-inclusive and other suspicious activity may be investigated as necessary.

- Fraud or active duty alerts included with consumer reports
- Notice of credit freeze provided by consumer reporting agency
- Notice of address discrepancy provided by consumer reporting agency
- Inconsistent activity patterns indicated by consumer report such as:
  - Recent and significant increase in volume of inquiries
  - Unusual number of recent credit applications
  - A material change in use of credit
  - Accounts closed for cause or abuse
- Identification documents appear to be altered
- Photo and physical description do not match appearance of applicant
- Other information is inconsistent with information provided by applicant

- ❑ Other information provided by applicant is inconsistent with information on file.
- ❑ Application appears altered or destroyed and reassembled
- ❑ Personal information provided by applicant does not match other sources of information (e.g. credit reports, SS# not issued or listed as deceased)
- ❑ Lack of correlation between the SS# range and date of birth
- ❑ Information provided is associated with known fraudulent activity (e.g. address or phone number provided is same as that of a fraudulent application)
- ❑ Information commonly associated with fraudulent activity is provided by applicant (e.g. address that is a mail drop or prison, non-working phone number or associated with answering service/pager)
- ❑ SS#, address, or telephone # is the same as that of other customer at utility
- ❑ Customer fails to provide all information requested
- ❑ Personal information provided is inconsistent with information on file for a customer
- ❑ Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet
- ❑ Identity theft is reported or discovered

**Response:**

Any employee that may suspect fraud or detect a red flag will implement the following response as applicable. All detections or suspicious red flags shall be reported to the senior management official.

- ❑ Ask applicant for additional documentation
- ❑ Notify internal manager: Any utility employee who becomes aware of a suspected or actual fraudulent use of a customer or potential customers identity must notify Immediate Supervisor or City Manager.
- ❑ Notify law enforcement: The utility will notify City of Pikeville Police Department at 101 Division Street, Pikeville, KY 41501 of any attempted or actual identity theft.
- ❑ Do not open the account
- ❑ Close the account
- ❑ Do not attempt to collect against the account but notify authorities

**Personal Information Security Procedures:**

The City of Pikeville adopts the following security procedures:

1. Paper documents, files, and electronic media containing secure information will be stored in locked file cabinets. File cabinets will be stored in a locked room.
2. Only specially identified employees with a legitimate need will have keys to the room and cabinet.

3. Files containing personally identifiable information are kept in locked file cabinets except when an employee is working on the file.
4. Employees lock file cabinets when leaving their work areas.
5. Access to offsite storage facilities is limited to employees with a legitimate business need.
6. No visitor will be given any entry codes or allowed unescorted access to the office.
7. Passwords will not be shared or posted near workstations.
8. Password-activated screen savers will be used to lock employee computers after a period of inactivity.
9. Anti-virus and anti-spyware programs will be run on individual computers and on servers daily.
10. When sensitive data is received or transmitted, secure connections will be used.
11. Computer passwords will be required.
12. User names and passwords will be different.
13. Passwords will be changed at least monthly.
14. The use of laptops is restricted to those employees who need them to perform their jobs.
15. Any wireless network in use is secured.
16. Monitor incoming traffic for signs of a data breach.
17. Monitor outgoing traffic for signs of a data breach.
18. Access to customer's personal identify information is limited to employees with a "need to know."
19. Procedures exist for making sure that workers who leave your employ or transfer to another part of the company no longer have access to sensitive information.
20. Employees are required to notify the city manager immediately if there is a potential security breach, such as a lost or stolen laptop.
21. Employees who violate security policy are subjected to discipline, up to, and including, dismissal.
22. Paper records will be shredded before being placed into the trash.
23. Any data storage media will be disposed of by shredding, punching holes in, or incineration.

Confirmation:

A confirmation sheet, approved by the commission and signed by the mayor of this program will be required and kept on file with the Pikeville City Clerks office.