

CHAPTER 54: UTILITY RULES AND REGULATIONS

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UTILITY BILLING PROCEDURES

§ 54.05 UTILITY RULES AND REGULATIONS.

(A) 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.

(B) 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 five (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.

(C) The city shall read the utility meters monthly, on or about the first through the seventeenth 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.

(D) (1) All customers are required to pay the amount of their bill in full and without discount on or before the fifteenth of the month when payment is due. Any outstanding balance of the utility account shall be considered delinquent and a late payment penalty of five percent (5%) of the current charge will be added to the delinquent bill. On the next business day after the fifteenth 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 percent (5%) added.

(2) 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 not rendered by the close of business of the first day of the following month that account will be disconnected from service within twenty-four (24) hours.

(3) 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 percent (5%) 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 standing.

(4) Example of billing process.

(a) For utility usage for the month of January, the meter will be read between the first and seventeenth of February.

(b) Bills will be processed and mailed no later than March 1.

(c) Bill is due by March 15.

(d) If payment is not made on March 15, the account will be assessed a five percent (5%) late payment penalty. Notice of the delinquency will be sent on March 16.

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

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

(g) 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.

(h) 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.

(i) The reconnection will be made within twenty-four (24) hours. If the customer is willing to wait seventy-two (72) hours, the reconnection fee will be less.

(E) When a check, draft, note or other negotiable instrument received by the Utility Department for payment of a utility account and is returned without payment and/or dishonored for payment for 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 provisions of division (D) above. In the event of non-sufficient funds occurrence the account will be charged an insufficient fund fee of thirty dollars (\$30.00). If notification of non-sufficient funds is after the fifteenth of the month then the account shall be classified as delinquent as outlined in division (D) above and the same procedures shall be followed. The only additional application is the insufficient fund fee.

(F) The city may disconnect service to a customer for the theft of service, or for the appearance of theft devices on the premises of a 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 services 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.

(G) Customers who wish to have service disconnected must give at least three (3) days' notice to that effect; service will be discontinued (meter removed) during working hours, Monday through Friday.

(H) 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 twelve (12) consecutive months of receipt of on time payments a customer's account may be reviewed for refund of deposit to be applied to customer bill. Upon termination of service, the deposit plus interest as set pursuant to KRS 278.460 by the KY Public Service Commission actually earned after the first year will be applied to any unpaid bills of the customer if not previously refunded, and if any balance or credit remains on the bill that amount will be billed or refunded to the customer.

(I) (1) 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 three-fourths (3/4).

(2) 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 one and one-fourth (1 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, and the like, and need for new or replacement of meter equipment.

(J) 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 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 (3) 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.

(K) The city will use reasonable consistency in supplying service, but shall not be liable for breach of contract in the 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.

(L) As noted in division (B) 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 are allowed. Additions or changes in load are reviewed in order to determine theft of service. Should theft of service be discovered, the customer shall be responsible for the theft as well as any damage to any of the city's lines or equipment caused by the additional or changed installations.

(M) 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.

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

(O) No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure or equipment which 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.

(P) 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.

(Q) There shall be one leak adjustment per customer per twelve (12) 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 (1) month period. The adjustment will be computed by the following formulas:

(1) Water:

Total Usage _____ \$ _____

Normal Usage _____ \$ _____

Leak Usage _____ / 2 = adjustment amount _____

(2) Gas:

Total Usage _____ \$ _____

Normal Usage _____ \$ _____

Leak Usage _____

Leak usage X *C/Gas rate _____ (_____) * Columbia Gas of Kentucky

Adjustment amount \$ _____

(R) Whenever a meter in service is found upon periodic request or complaint test to be more than two percent (2%) fast, additional tests shall be made at once to determine the average error of the meter. If the result of the test shows an average error greater than two percent (2%) fast or two percent (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 computed for one-half of the elapsed time since the last previous test, but in no case to exceed twelve (12) months. When a meter is tested and 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 or her regular bill.

(S) The city may disconnect service to any property which has failed to comply with any city ordinances 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 or city agency.

(T) A separate sewer connection shall be provided for every building; except where one (1) building stands at the rear of another on an interior lot.

(U) The charge for collection of garbage and trash shall be billed either to the occupant of the property or the owner of the 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 the 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 was incurred.

(V) 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.

(W) 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.

(X) 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.

(Y) By request and payment, a customer may have his or her meter tested provided request by customer is not more frequent than once each twelve (12) months. If such test shows the meter to be more than two percent (2%) fast or slow the bill will be credited or adjusted accordingly.

(Z) 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.

(Ord. 0-2000-020, passed 11-27-00; Am. Ord. 0-2007-006, passed 2-12-07; Am. Ord. 0-2007-007, passed 2-26-07; Am. Ord. 0-2008-005, passed 1-14-08; Am. Ord. 0-2008-17, passed 7-28-08; Am. Ord. 0-2016-020, passed 10-24-16; Am. Ord. 0-2016-025, passed 12-12-16; Am. Ord. 0-2017-008, passed 3-27-17)

§ 54.06 SPECIAL UTILITY SERVICE AGREEMENT FOR FUSION UNITS.

CITY OF PIKEVILLE, KENTUCKY SEWER USER AGREEMENT FOR ALTERNATIVE SEWER SYSTEM

User Phone No: _____

This agreement entered into between _____ whose address is _____
_____ hereinafter called "user" and CITY OF PIKEVILLE, KENTUCKY, hereinafter called "City."

Witnesseth

Whereas, the user desires to have the City install and the user to utilize an alternative sewer system approved by the City, and to enter into a sewer user's agreement as required by the Policies to the City:

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:

The City shall install and maintain an alternative sewer system that has been approved by the Pike County Health Department and the City, subject to the limitations set out in the City's Rules, Regulations and Ordinances now in force or as hereafter amended, a sewer system in connection with user's occupancy to the following described property:

The user agrees to grant to the City, its successors and assigns, a perpetual easement in, over, through, under, and upon the above described land, with right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace, and remove sewer lines and appurtenant facilities, together with the right to utilize adjoining lands belonging to the user for the purpose of ingress to and egress from the above described lands.

The user hereby agrees to utilize an alternative sewer system (fusion, aerator, conventional septic tank or other) approved by the City and the Pike County Health Department. The connection fee for the sewer system is _____. Additionally, all new sewer users (residential, commercial, and business) will be required to obtain and pay for a permit from the Pike County Health Department prior to installation of the alternative sewer system and pay for a state inspection fee. THE ALTERNATIVE SEWER SYSTEM WILL BECOME PROPERTY OF THE CITY.

The user agrees to comply with and be bound by the Rules, Regulations and Ordinances of the City, now in force, or as hereafter duly and legally supplemented, amended or changed. The user also agrees to pay sewer charges at such rates, time and place as shall be determined by the City, and agrees to the imposition of such penalties for noncompliance as are now set out in the City's Rules, Regulations and Ordinances, or which may be hereafter adopted and imposed by the City. The monthly rates will be reasonable and the user shall comply with all rates, rules and regulations adopted by the City.

The City shall have final decision making authority related to the location of the alternative sewer system, and may shut off water service to any user who allows a connection or extension to be made to the City's sewer line or appurtenances for the purpose of supplying sewer service to another user.

The user recognizes that an alternative sewer system is being installed and, accordingly agrees that they will not permit any foreign objects or concentrated chemicals to be introduced into the sewer system. The City is responsible for the installation and routine maintenance of the alternative system; however, if after inspection of a problem, it is found that improper items were put into the sewer system by the user, the user shall be billed for necessary repairs.

User also agrees that the installation of electric service and routine monthly charges from any power company associated with any electrical component of the sewer system shall be supplied by and paid for by the user. The user will allow the City to connect the electrical components of its alternative sewer system to the user's electric service facilities when the system is installed.

The user shall install and maintain, at user's expense, service connection lines to the alternative system on user's property and all other devices necessary to deposit user's waste stream into the City's alternative system. Service line material and installation must be in accordance with the State Plumbing Code as administered by the Division of Plumbing, Department of Housing, Building and Construction. Any and all work on the customer's side shall be inspected by an appropriate representative of the Pike County Health Department before the service line is backfilled. The user shall keep the service line and appurtenances in good working condition at all times and keep any surface water infiltration from entering the City's sewer system. The user shall not deposit sewage in such a manner as to cause unusual fluctuations or disturbances in the City's system. The City will use reasonable diligence in supplying sewer service, but shall not be liable for breach of contract in the event of injury, damage to persons or property, or for loss resulting from interruptions in service. The service connection supplied by the City to the user has a limited and specific capacity, and no addition to the equipment or load connection thereto will be allowed except with specific consent of the City. Failure to give notice of additions or changes in load and to obtain the City's consent for same, shall render the user liable for any damage to the City's lines or equipment caused by the additional or changed installation.

The user shall connect sewer service lines to the City's Alternative System and shall commence to use sewer services of the system on the date the sewer system is made available to the user by the City. Sewer user charges to the user shall commence on the date service is made available, regardless of whether or not the user connects to the system.

It is mutually understood and agreed that the failure to pay sewer service charges pursuant to this agreement shall result in the automatic imposition of the following penalties:

1. Non-payment by the due date will be subject to a penalty of five (5%) percent of the delinquent amount.
2. Non-payment by the first day of the month after the current utility bill is received will result in the user's water service being disconnected by the City.
3. In the event it becomes necessary for the City to shut off the water from a user's property, a fee of \$40.00 will be charged for reconnection of the service within 24 hours of cutoff or a fee of \$30.00 for reconnection within 72 hours of cutoff. The user will also be required to pay all delinquent accounts in full, unless otherwise agreed to in writing, prior to water service being restored.

IN WITNESS WHEREOF, we have executed this agreement on the ____ day of _____, 20__

USER (Printed Name) _____ USER Signature _____

By _____

CITY OF PIKEVILLE Title of Authorized Signatory

§ 54.07 UTILITY SERVICE AGREEMENT.

All persons or businesses requesting gas, water or sewer service will be required to fill out, sign and execute the agreement under this section.

CITY OF PIKEVILLE, KY UTILITY SERVICE AGREEMENT CONCERNING GAS, WATER AND SEWER SYSTEM FOR CUSTOMER

This Agreement Concerning Water and or Sewer System for Customer Service is entered into by and between The City of Pikeville (the "CITY") and _____("CUSTOMER") for sanitary sewer service to the property located at ______("Property").

Please Check The Box That Applies:

_____ "WATER" _____ "SEWER" _____ "GAS"

WHEREAS, the CITY owns, operates and maintains a natural gas, water and sanitary sewer system from which CUSTOMER desires to obtain sewer service; and

WHEREAS, for sewer customers the elevation and/or slope of the Property in relation to the location of the City's sanitary sewer system requires the installation of a either a gravity system or pressure sewer system commonly known as a grinder pump system ("Grinder Pump") in order to transport CUSTOMER'S sewage to the CITY'S sanitary sewer system; and

WHEREAS, the CITY'S gas, water and or sanitary system is regulated by the "rules and regulations" set forth by the City's Code of Ordinance under Chapter 54; and

WHEREAS, the CITY only allows gas, water or sewer service to a CUSTOMER property through the terms and conditions set forth by the execution of this agreement; and

WHEREAS, the CUSTOMER does desires to connect to the CITY'S gas, water and or sanitary sewer system to receive water and or sewer service from the CITY;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the CITY and CUSTOMER agree as follows:

1. As a condition to initiation and continuation of water and or sanitary sewer service to CUSTOMER by the CITY;

a. The CUSTOMER agrees to grant to the CITY, its successors and assigns, a perpetual easement in, over, through, under and upon the above described land, with the right to erect, construct, install and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove gas, water or sewer lines and appurtenant facilities, together with the right to utilize adjoining lands belonging to the user for the purpose of ingress to egress from the above described lands.

b. For Sewer Service the CITY shall be responsible for the maintenance of that portion of the service lateral installed by the CITY and the CUSTOMER shall be responsible for the maintenance of that portion thereof installed by the consumer on gravity systems. On pressurized system, the customer shall be responsible for that portion of sewer lateral beyond the grinder station. The CITY shall be responsible for the maintenance and replacement of all grinder pump equipment used in connection with its pressurized sewer system with the exception of malfunctions caused by abuse on the part of the customer, including, but not limited to, subjecting the system to excessive amounts of grease or the disposal of improper or foreign items.

c. The CUSTOMER hereby agrees to connect to the water and or sewer system of the CITY. The top-on fee of the sewer system is \$_____. A State inspection fee payable to the Kentucky State Treasure of \$_____ will be charged (residential) at the time of connection (all businesses must obtain permits at the Pike County Health Department).

d. The CUSTOMER agrees to comply with and is bound to and by the CITY'S Utility Rules and Regulations as listed and adopted by the Pikeville City Commission under Chapter 54 of the City's Code of Ordinances.

e. The CITY shall have final authority on any questions of location of any service line connection to its gas, water and or sewer system, and may shut off services to a user who allows a connection or extension to be made to such sewer lines for the purpose of supplying water and or sewer service to another user.

f. For sewer systems the CUSTOMER agrees that the CITY shall have the right to stop any discharges from the

Grinder Pump in order to prevent contamination of state waters.

g. For sewer system the Customer agrees that the CITY and its representatives shall have the right to enter the CUSTOMER'S property to operate, maintain and repair water systems, gravity systems or Grinder Pump systems on behalf of the CUSTOMER, as well as to stop discharge from the Grinder Pump in order to prevent contamination of waterways.

2. The CITY and CUSTOMER agree that the Grinder Pump shall be regarded as an integral component of the CITY'S sanitary sewer system and not as a part of the home plumbing for the Property.

3. The CUSTOMER agrees to pay all fees and charges as set forth by the CITY as outlined in the CITY'S Rate ordinance and Rules and Regulations and understands the CITY'S rates and or Rules and Regulations may be amended from time to time.

4. The CUSTOMER acknowledges and agrees that failure of CUSTOMER to pay all costs associated with the operation and maintenance of the Grinder Pump as set forth in this agreement or the CITY'S Rates and Rules and Regulations or failure of CUSTOMER to allow the CITY and its representatives to enter CUSTOMER'S property, as set forth in Section 1.g. above, shall be grounds for the disconnection of gas, water and wastewater service to the Property.

5. This Agreement shall be performable in Pike County, Kentucky which county shall be the exclusive place for venue for any disputes arising under the Agreement.

6. Any amendments to this Agreement must be in writing and signed by both the CITY and the CUSTOMER.

7. This Agreement is not assignable by CUSTOMER. Upon termination of service to the Property, any new customer desiring to receive gas, water and/or wastewater service from the CITY shall be required to execute their own service agreement.

8. CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES FROM ANY CLAIMS OR DAMAGES ASSOCIATED WITH OR ARISING FROM DESIGN, OPERATION OR MAINTENANCE OF THE GRINDER PUMP.

9. For sewer grinder systems the Grinder Pump will be powered by CUSTOMER'S home electrical system. In the event power service to the Grinder Pump is disrupted, CUSTOMER shall be responsible for taking measures to prevent the backup of wastewater on the Property. All connection shall comply with the state electric code at uses cost.

10. By signing this agreement CUSTOMER agrees that all information given below is accurate and true and understands any false information given may result in disconnection of service and any balance from the CUSTOMER on a previous account must be paid in full before new service can be connected.

CUSTOMER SIGNATURE:

CUSTOMER Signature Date Executed

APPLICATION INFORMATION REQUIRED

Name: _____ Spouse _____

Last First Middle Last First Middle

S.S.# _____ S.S.#: _____

Drivers License #: _____ Drivers License #: _____

Employer: _____ Employer: _____

Work Phone: _____ Work Phone: _____

Mailing Address: _____

Home Phone: _____ Cell Phone: _____

Service Address: _____

Building Type: Apartment Business Condo/Townhouse Single Family Multifamily

Rent? _____ Own? _____

Landlord's Name? _____

Address? _____

For Official Use ONLY

Account Number: _____

If deposit or service charge is required list the amount: \$ _____

For which account: _____ Water _____ Gas _____

(Ord. 0-2010-001, passed 1-25-10; Am. Ord. 0-2013-001, passed 1-14-13)

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.

(Ord. 0-92-009, passed 4-27-92; Am. Ord. 0-2008-005, passed 1-14-08)

UTILITY SPECIFICATIONS AND REGULATIONS

§ 54.15 UTILITY SPECS & REGULATIONS MANUAL ADOPTED BY REFERENCE.

The City of Pikeville Utility Specs & Regulations Manual as attached to Ord. 0-2007-010, passed 2-26-07, is hereby adopted by reference as if fully set forth herein. Copies of the Manual are available for public inspection during normal business hours at the office of the City Clerk.

(Ord. 0-2007-010, passed 2-26-07)

IDENTITY THEFT

§ 54.25 IDENTITY THEFT PREVENTION PROGRAM.

(A) 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.

(B) 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.

(C) Risk assessment: The city 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.

Identify theft occurred in the past from someone falsely opening a utility account.

(D) Detection (red flags). The city 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 (such as 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 (such as address or phone number provided is same as that of a fraudulent application).

Information commonly associated with fraudulent activity is provided by applicant (such as 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.

(E) Employee response. Any employee that may suspect fraud or detect a red flag shall implement the following response as applicable. All detections or suspicious red flags shall immediately 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 identify 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.

(F) Personal information security procedures. The city adopts and all city personnel shall comply with 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 specifically 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.

(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 identity 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.

(G) 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.

(Ord. 0-2008-025, passed 10-27-08)