

CITY OF IVANHOE UTILITY POLICY (3.2025)

A CITY POLICY ESTABLISHING CITY WATER AND SEWER ACCOUNTS, RATES AND PROVIDING FOR COLLECTION OF DELINQUENT CHARGES

SECTION 1. DEFINITIONS

For the purposes of this Policy, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1 Account. A record of utility services used by each property and the periodic costs for those utility services.

1.2 City. The City of Ivanhoe County of Lincoln, State of Minnesota.

1.3 City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer and water service.

1.4 Utility Rate Schedule. The rates to be charged for utilities and the various classifications of service for which rates are charged are established by the City of Ivanhoe. These rates are subject to change and shall be established by resolution and billed through regular utility billing process.

1.5 Waterworks System. Water and sewer transmission pipes, lines, fixtures, meters and all necessary equipment and appurtenances owned or operated by the City utility system for the purpose of providing water and sewer services for public or private use.

SECTION 2. ACCOUNTS.

All accounts shall be in the name of the owner who personally, or by his or her authorized agent, applied for such service. The owner shall be liable for water and sewer services supplied to the property, whether he or she is occupying the property or not, and any unpaid charges shall be a lien upon the property.

2.1 Owner of Property. The owner of the property may request to transfer the bill to the occupant of the premises. The bill will not be transferred to the occupant of the premises until the occupant applies for utility service at Ivanhoe City Office and requests the meters to be read.

2.2 Occupant of Property. The owner of the premises, the occupant of the premises and the user of the service shall be jointly liable to pay for the service to such premises; and the service is furnished to the premises by the City only upon the condition that the owner of the premises, occupant and user of the services are jointly liable therefore to the City.

SECTION 3. BILLING.

Water, sewer, and garbage charges shall be billed on one bill as applicable to each account. All charges for water, sewer, garbage shall be due upon receipt and considered delinquent after the tenth day of the following month.

3.1. Billing for services. Bills are rendered for all services (water, sewer, garbage, fixed charges, and material charges) so that they reach the customer on or about the same business day of each month. All bills for services and utilities are payable by the 25th day of the month.

3.2. Readings of all meters. Reading of all meters used for determining charges to customers shall be made each month at or as nearly practicable to thirty (30) day intervals.

3.3. Bill.

The City of Ivanhoe bills monthly for utility services which are based on monthly meter readings, or if necessary, on estimated consumption. Utility bills are processed at the beginning of the month and are due on the 25th day of the month. Payments received after the due date are subject to a late fee which is included in the "Amount Due After Due Date" line on the billing statement. When the due date is on a weekend or holiday, the next business day will be allowed for payment without an added fee.

Each bill will show the present and preceding meter readings, consumption for the meter, the amount charged for each meter, the date when the bill is past due, any late payment penalties assessed and the amount of sales tax. Bills for services based on meter readings or estimated consumption if necessary are computed in accordance with applicable rate schedules. Customers whose final reading is after the regular reading date shall receive a separate billing for the final period irregardless of the number of days provided there is some consumption of utility service. Monthly charges will not be prorated.

3.4 Payment. If payment has not been received by the due date, a Notice of Past Due Utility bill will be mailed or personally delivered to the customer on or about the 15th of the month. If payment in full has not been received or a mutually acceptable payment plan has not been entered into with City of Ivanhoe by the date printed on the Notice of Past Due Utility bill, said service may be disconnected/limited on the scheduled date in accordance with City of Ivanhoe's disconnection for nonpayment policy. Partial payments are applied proportionately to each service billed.

3.5. Minimum Utility Charges. A minimum water and sewer utility charge for the availability of water and sanitary sewer service will be imposed for all premises abutting on streets or other places where municipal water mains and sewers are located, and having a dwelling house or business building situated thereon, whether connected to them.

3.6 Other Charges. Charges for material, equipment and labor that are furnished by the City of Ivanhoe will be billed based on costs plus overhead incurred.

3.7 Overtime Work. All services requested by an owner or contractor outside of the City of Ivanhoe's normal business hours will be billed at the overtime rate.

SECTION 4. UTILITY RATE SCHEDULE.

The utility rate schedule shall be adopted annually or when the contractor increases rates by resolution of the City Council.

4.1 Establishing Rate Schedule. The City Council resolution setting out the utility rate schedule shall also establish the number of certification cycles per year. At least one certification cycle will be timed each year to coincide with Lincoln County's requirements for certification to the following year's taxes. Additional certification cycles may be set in the annual rate schedule resolution. Each year, the council shall establish one or more certification cut-off dates. All city utility accounts, unless exempt for other legal reasons, which have been billed as a delinquent bill and remain unpaid as of the certification cut-off date shall have the balance on the account including in a preliminary certification list.

SECTION 5. PAYMENT AGREEMENT

The City of Ivanhoe accepts payment in the form of cash, checks, credit/debit cards, cashier's checks, and money orders. Payments can be made in person, by mail, on-line at www.city-ivanhoe-mn.com, by phone at 507-694-1738, or the night deposit box at the City of Ivanhoe Office located at 401 N Harold Street.

5.1. Payment Agreement. A payment agreement is available to any customer. Upon request by the customer, the City Administrator will prepare a repayment agreement following discussions with the customer. The repayment agreement must be signed and returned to the Ivanhoe City Office within three (3) business days of the appointment with the City Administrator. If signed agreements are not received within three (3) business days, utility service will be disconnected immediately.

5.1.01. If a customer misses their scheduled appointment with the City Administrator, utility service will be disconnected immediately without notice.

5.1.02. In addition to installment payments agreed to in the repayment agreement, the customer is obligated to stay current on their monthly utility charges.

SECTION 6. RETURNED CHECKS

6.1. Accounts NSF Check Received. For accounts on which a NSF check is received or ACH Return, the City of Ivanhoe shall notify the customer immediately by mail that a check/ACH has been dishonored by the bank upon which it was drawn. Payment by cash, certified check or money order shall be required within five (5) days of the notice and demand for payment of a dishonored check. The City of Ivanhoe will not accept two-party or payroll checks. The City of Ivanhoe may add \$25.00 service charge for each NSF check returned to the City of Ivanhoe.

6.2. Cash Payment Requirement. If three (3) or more returned checks (NSF) are from the same customer within a twelve-month period, that customer shall be required to make all future payments in "cash or cashier's check only" until such customer has made twelve (12) consecutive "on time" payments.

SECTION 7. DELINQUENT ACCOUNTS.

7.1 Penalties. A late payment penalty of \$5.00 shall be assessed on all accounts with a past due balance.

7.1.01. Failure to receive a bill shall not necessarily entitle the customer to remission of any late payment charge.

7.1.02 Penalties may be waived upon order of the City of Ivanhoe or by City of Ivanhoe personnel only when extenuating circumstances are considered. A customer should have a payment habit of "on-time" payments for the past year before consideration is given.

7.2 Billing and Shut-off Charges. Monthly charges for water shall be billed by the City Administrator. In the event that any statement is not paid within ten (20) days after the due date on the bill, the City Council or its authorized agents are hereby authorized to initiate the shut-off procedures. The service will not be turned on until application is made therefore to the City Administrator on such forms as the City Council may require and be accompanied by the payment in full for the delinquent statements plus a reconnection fee.

7.2.01. If a delinquent customer contacts the City of Ivanhoe office prior to the disconnect date for an extension of time, consideration may be given. The customer make arrangements to pay the overdue amount and penalty due. At no time is an open-ended extension granted with no deadline given.

7.2.02. If a collection is not made, a City of Ivanhoe Public Works employee will terminate the service. The City of Ivanhoe will not reconnect the service, until arrangements for reconnection are made and the utility bill is paid including all hook-up charges.

7.3 Notification Procedures. If any bill is not paid by the due date listed on the bill, a notification (phone call or late notice letter will be mailed by first class mail and shall state that if payment is not made within ten (20) days of the mailing, water service to the premises will be shut off for nonpayment.

7.4 Provision of Shut Off for Non-Payment. Water shall not be shut off under this section until notice and an opportunity for a hearing have first been given the occupant of the premises involved and the owner of said property if different. The notice shall be personally served or registered letter and shall state that if payment is not made before a specified date, but not less than twenty (20) days after the notice date, the water supply to such premises will be shut off. The notice shall also state that the occupant may, before such date, demand a hearing on the matter, in which case the supply will not be cut off until such hearing is held. If the occupant/owner requests a hearing before the shut-off date specified, a hearing will be held on the matter before the City Council. Such hearing shall be held at the next possible City Council meeting. If, as a result of the hearing, the City Council finds that the amount claimed is delinquent and due, and that there is no legal reason why the water may not be shut off, the City may shut off the supply. M.S.216B.097, the Cold Weather Rule: No service of a residential customer shall be disconnected if the disconnection affects the primary heat source for the residential unit when the disconnection would occur during the period between October 15 and April 15, the customer has declared inability to pay on forms provided by the city, the household income of the customer is at or below 50 percent of the state median income as documented by the customer to the city, and the customer's account is current for the billing period immediately prior to October 15 or the customer has entered into a payment schedule and is reasonably current with payments under the schedule. The city shall, between August 15 and October 15, of each year, notify all residential customers of these provisions.

7.5 Certification for collection with taxes. Unpaid charges on sewer and water accounts shall not be certified to the county auditor until notice and an opportunity for a hearing has been provided to the owner of the premises involved. The notice shall be sent by first-class mail and shall state that if payment is not made before the date for certification, the entire amount unpaid plus penalties will be certified to the county auditor for collection as other taxes are collected. The notice shall also state that the occupant may, before such certification date, attend or schedule a hearing on the matter to object to certification of unpaid utility charges.

In addition to any penalties provided for in this policy if any person, firm or corporation fails to comply with any provision or this policy, the Council or any city official designated by it, may institute appropriate proceedings at law or at equity to procure payment.

7.6 Optional payment before certification. The owner of the property shall have the option of paying the balance due on the account until the date the notice of the certification hearing is

mailed. After the date the notice of the certification hearing is mailed, payments will still be accepted but will include unpaid penalties.

7.7 Hearing required. A hearing shall be held on the matter by the City Council. Property owners with unpaid utility charges shall have the opportunity to object to the certification of unpaid charges to be collected as taxes are collected. If, after the hearing, the City Council finds that the amounts claimed as delinquent are actually due and unpaid and that there is no legal reason why the unpaid charges should not be certified for collection with taxes in accordance with this policy, the City may certify the unpaid charges to the county auditor for collection as other taxes are collected.

7.8 Hearing options. For each certification sustained, the property owner shall have the following options after the hearing,

7.8.01 To pay the delinquent amount listed on the preliminary roll, but without additional interest after the hearing, within ten day of the hearing date.

7.8.02 To pay the certified delinquent amount after the hearing date, but before the county certification deadline, with interest at the rate set in the adopted rate schedule, accrued beginning on eleventh day following the hearing date through the date of payment.

7.8.03 To pay the certified charges as billed to them by Lincoln County on their property tax statement with a collection term of one year.

7.8.04 **Collection with Taxes.** The City Administrator shall prepare an assessment roll each year providing for assessment of any delinquent water charges plus 8 percent interest against the respective properties served. This assessment shall be delivered to the City Council for adoption along with the regular tax rolls for each year. Upon such adoption, the Clerk shall certify the assessment roll to the County Auditor for collection along with the taxes.

7.9 Delivery to County. Fifteen days after the hearing, the certified roll, minus any payments, shall be delivered to Lincoln County.

SECTION 8- TRANSFER OF ACCOUNT BALANCES

8.1 Transfer Unpaid Balances. The City of Ivanhoe may transfer unpaid balances from one account to another account provided the customer is the same individual or is in the same household. Collection efforts shall continue in the same manner on the new account as on the old account.

SECTION 9- BILLING ERRORS

9.1 Overcharged. When a customer has been overcharged as a result of incorrect meter readings, incorrect application of the rate schedule, incorrect connection of the meter, faulty meter or other similar reasons, the amount of the overcharge shall be credited to the customer or refunded to "final" accounts. Billing adjustments shall be limited to a maximum three-year period from the time of discovery except for cases involving the misapplication of a rate schedule, which shall be limited to a maximum one-year period. Billing adjustments resulting in

a credit balance that is greater than three (3) months' average billing will be refunded by check. Other billing adjustments will remain as a credit balance on the account.

9.2 Undercharged. When a customer has been undercharged as a result of the same reasons as in Section 9.01, the amount of undercharge shall be billed to the customer. The revised billing shall be incorporated with the regular bills and the charges explained in detail. These shall be for a maximum two-year period from the time of discovery allowed for recalculating undercharges except for cases involving fraud or misrepresentation. There shall be a one-year back-billing period for undercharges as the result of the misapplication of a rate schedule.

SECTION 10- CUSTOMER SERVICE

10.1 Customer Complaints. Customer complaints shall first be directed to the City Administrator. Any and all complaints shall be discussed politely and without abuse. Upon receiving a complaint, all pertinent information shall be obtained, such as the name and address of the complainant, the date and nature of the complaint. This should be followed by the manner in which the complaint was disposed of.

10.2. If personnel receiving the complaint cannot effectively handle the problem; the complaint shall then be referred to the proper department or other City of Ivanhoe personnel.

10.3. If a complaint is not resolved to the customer's satisfaction, the customer may request to be put on the agenda at the city council meeting.

SECTION 11- FREE UTILITY SERVICE

11.1 Free Utility Service. It shall be the policy of the City of Ivanhoe not to provide free utility service to customers. Any exception to this policy (i.e., community service) must be approved by the City of Ivanhoe in advance at a regular city council meeting.

SECTION 12 – EXCEPTIONS/CHANGES

12.1 Appropriate Proceedings. In addition to any procedures or penalties provided for this policy, if any person, firm or corporation fails to comply with any provision of this policy, the council or any city official designated by it may institute appropriate proceedings at law or at equity to procure payment and or enforce the provisions of this policy.

12.2 Policy Change. This policy replaces all previous policies covering the same or similar topics. This policy may be reviewed and changed at any time.

Adopted by the City Council of the City of Ivanhoe this 10th day of March, 2025.

Signed:


Mayor, Shad Lipinski

Attest:


Dianne Beckendorf, City Administrator

Notice of Intent to Certify Unpaid Water and Sewer Charges to be Collected with Taxes

CITY OF: Ivanhoe

Date:

Phone Number: 507-694-1738

Name/Address of Occupant/Owner:

This letter is your notice that the city is preparing to certify or add your unpaid water and sewer charges to your property taxes. If these unpaid charges for water and sewer services for the property described above are not paid by _____, the city council will certify them to the county auditor to be collected along with property taxes.

Delinquent amount	\$ _____
Delivery/ Administrative costs	\$ _____
TOTAL AMOUNT NOW DUE	\$ _____

To make payment now, return this letter with a check payable to the City of Ivanhoe in the amount of \$_____ or you may pay your bill at city offices from 8a-4:30pm or pay online at www.city-ivanhoe-mn.com.

You have a right to request a hearing in front of the city council on this matter, but you must request this hearing by contacting the city office on or before 4:00 p.m. on _____ at 507-694-1738.

*****Insert the date by which the hearing request must be made.***

If you request a hearing, it will be held by the city council at the next regular scheduled meeting after which you make your request, and the unpaid water and sewer charges will not be certified for payment with taxes before the hearing. You may contact me at the number below if you have any questions.

CITY OF IVANHOE
401 N Harold Street
507-694-1738

THIS IS THE ONLY NOTICE YOU WILL RECEIVE BEFORE THE CITY COUNCIL WILL CERTIFY YOUR UNPAID WATER AND SEWER CHARGES TO BE COLLECTED WITH YOUR PROPERTY TAXES.

