

WATER AND SEWER UTILITY BILLING COLLECTION POLICIES

By section 21 of Act 94, Public Acts of Michigan 1933, as amended, and by terms of Village Ordinance 2004-57 the rates and charges for services furnished by the system to residences or businesses located in the Village shall be liens on the property served. Delinquent rates and charges for six months or more shall be entered on the tax roll annually, in June, against the premises to which the service was rendered, at which point the lien will be enforced and certified delinquencies will be collected in the same manner as an ad valorem property tax.

Rental/Leased Properties connected to Village Water and Sewer Systems

As part of rental/leased arrangements, some landlord/owners require their tenants by the terms of the lease to be responsible for payment of water and sewer rates and charges. As an exception to the "lien" rule discussed above, the landlord can avoid having the Village place a lien on the rental property for unpaid water and sewer usage charges and fees by adhering to the following requirements:

1. The lease must be fully executed by the landlord and the tenant.
2. The lease must contain express written provisions that the tenant and NOT the landlord is responsible for payment of water and sewer usage charges and fees.
3. The landlord/owner must file the following with the Village:
 - a. A written affidavit provided by the Village that sets forth the names and addresses of the landlord/owner and the tenant, the responsibility of the tenant under the lease for payment of water and sewer usage charges and fees, the expiration date of the lease, and an agreement by the owner to give the Village 20 days written notice of any cancellation, change and/or termination of the lease.
 - b. A true copy of the lease
 - c. A minimum security deposit, currently \$200 (set by Council Resolution).
4. Each time there is a change in the tenant, the landlord/owner must comply with requirement 1 through 3 above, and any unpaid usage charges and fees attributable to the rental unit must be paid in full.
5. The security deposit will be held by the Village without interest and will be returned to the tenant, minus any outstanding balances (pro-rated to move-out date), upon proof of termination of the lease.

After compliance with requirement 1 through 3 above, NO lien will attach to the rental property so long as the underlying water and sewer usage charges and fees are paid by the tenant when due.

Utility Shut Off Policy

The Village of Farwell has reserved the right in Ordinance 2004-57 to shut off water service for non-payment of sewer or water rates and charges. The Village will begin by sending shut-off notices with utility bills for accounts 60 days past due by the 60 day due date (ex. shut-off notice for November 16, for combined delinquent October 1 and November 1 billing dates). A door hanger will be placed the day preceding the scheduled shut-off notifying the customer that the service will be discontinued if payment *in full* is not received. The notice will indicate the amount that is delinquent, the scheduled time for shutoff and the cost to turn service back on (currently \$25 as set by resolution). All requests to the Village Finance Committee for payment plans MUST be made in writing a minimum of 7 days PRIOR to scheduled shut off date, no exceptions. Written requests must be reviewed by Committee before any determination is made to authorize extensions.

