



## NOTICE OF CHANGES TO UTILITY BILLING

TO: NAME  
ADDRESS  
CITY, STATE ZIP

FROM: Catherine Pausche  
City of Mound Director of Finance and Administrative Services

DATE: December 16, 2016

RE: Utility billing changes for non-homestead properties  
Property Address: XXXXXXXXXXXXXXXXXXXXXXXX  
Account Number: XXXXXX

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The City Council has enacted Policy FIN-011 Utility Billing for Non-Homestead Properties, a copy of which is attached. Utility bills will remain in the property owner's name and a duplicate bill may be requested for the renter. New accounts/final reads will no longer be created when there is a change in renters and the property owner will be responsible for prorating any bills and settling with the renter (see attached example). The fee for new accounts due to a change in ownership will be \$50, effective January 1, 2017. The owner can also pay \$50 to have City Hall take a read and prepare a final bill estimate for a change in renters.

Approximately 1/3 of the properties in Mound are non-homestead and this policy is meant to streamline operations and ensure property owners are fully aware of the services being received because they are ultimately responsible for payment. Per state statute, municipal utility bills remain with the property and any delinquent balances can be certified to the property taxes each year. It should be noted that Mound does not pursue collections or report credit history to credit rating agencies.

**It is up to the property owner to discuss these changes with your renter.** The utility bill will be in the property owner's name, but a copy will be sent to the renter upon request. If the renter is currently paying by Auto-Pay, that will remain in place as well.

It should be noted that property owners are strongly encouraged to clearly specify how utilities will be paid for in the lease agreement and who is responsible for that payment:

**Rights Responsibilities & Liabilities of the Landlord** -The details of this section vary from lease to lease, but typically cover issues such as tax, repairs/maintenance, utilities, insurance, liability, and provision of furnishings.

**Rights, Responsibilities & Liabilities of the Tenant** -This section covers rights such as pets, guests, and peace and quiet, as well as responsibilities such as repairs/maintenance and utilities.

**Any questions regarding actual utility bills can be directed to the Mound Utility Billing Customer Service Center at (651)255-0972. Questions regarding this new policy can be directed to me at (952)472-0633 or via email at [catherinepausche@cityofmound.com](mailto:catherinepausche@cityofmound.com).**

Thank you for your cooperation and understanding in these matters.



Utility Billing for Non-Homestead Properties Policy		
Original Adoption:	11/22/2016	Reference No. FIN-011
Reviewed/Updated:	TBD	

**PURPOSE:** To prescribe the policies and procedures for administering utility billing accounts for non-homestead properties.

## **POLICY AND PROCEDURES:**

### **1.1 Primary Accountholder**

State law recognizes that the primary parties to the utility supply transaction are the City, as supplier, and the property benefited by the utility service availability.

Minn.Stat. 444.074, s.3(e), authorizes the City to charge the owner and to certify unpaid charges against the property served as a tax. Minn. Stat. 325E.025, s.2, distinguishes other types of utility services (such as electrical, gas, propane, and telephone) from water utilities, recognizing that water utilities provide a unique benefit to the property and are essential to human habitation. In fact, the law prohibits owners from renting out any premises without a connection to the water system. Gas, electric and phone utilities provide a benefit primary to the end user - accordingly, the landlord is not responsible for their payment and unpaid charges cannot be assessed against the property.

Therefore, the primary account holder on utility billing accounts will be the owner as listed on the Hennepin County property tax information records. Property owners may request a duplicate bill be mailed to the renters.

### **1.2 Primary Accountholder Responsibilities**

The primary accountholder/property owner will be responsible for prorating bills when there is a change in renters and no new account/final bill will be created in utility billing. Property owners may choose to pay the utility bill directly and get reimbursed by the renter, or have their renter pay the bill directly.

City Staff will create a spreadsheet that property owners can use to estimate/prorate a final bill when a change in renters occurs and create resources giving options for property owners in developing lease agreements to address how the utility bill will be handled during the course of the lease and at lease termination.



## HOW TO PRORATE A QUARTERLY UTILITY BILL

(Using 2017 utility rates)

Residential properties bill once a quarter for approximately a 90 day period. If a renter moves out mid-quarter, the landlord must use past history to estimate their final utility bill.

Determine last meter read date from last billing statement and calculate the number of days from that date to move out date. If a renter moves out on 11/30/16 and the last read was on 10/3/16, use 58/90 to prorate the final bill.

Usage Data		Billing Period					
From	To	Days	Prev. Rdg.	Curr. Rdg.	Usage	Units	
06/30/2016	10/03/2016	95	104 Actual	123 Actual	19	TGAL	
06/30/2016	10/03/2016	95	4 Actual	6 Actual	-2	TGAL	
06/30/2016	10/03/2016	95	4 Actual	6 Actual	2	TGAL	

Amount Due

Base Water Fee  $\$56.73 \times \underline{\hspace{2cm}} / 90 = \underline{\hspace{2cm}}$

Variable Water - using the water usage from the same billing period the year before, prorate the Usage

Tier 1 1-5,000 gallons  $\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} / 90 \times \$4.92 = \underline{\hspace{2cm}}$

Tier 2 5,001-25,000 gallons  $\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} / 90 \times \$5.66 = \underline{\hspace{2cm}}$

Tier 3 25,001+ gallons  $\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} / 90 \times \$6.50 = \underline{\hspace{2cm}}$

Base Sewer Fee  $\$102.62 \times \underline{\hspace{2cm}} / 90 = \underline{\hspace{2cm}}$

Variable Sewer - using the water usage from the same billing period the year before, prorate the Usage. If there is an irrigation meter, subtract that amount from the water usage (Example:  $19 - 2 = 17K$  gallons)

Variable Sewer Fee (Over 10K gallons)  $\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} / 90 \times \$6.36 = \underline{\hspace{2cm}}$

Storm Water Fee  $\$30.58 \times \underline{\hspace{2cm}} / 90 = \underline{\hspace{2cm}}$

Recycling Fee  $\$12.00 \times \underline{\hspace{2cm}} / 90 = \underline{\hspace{2cm}}$

Street Light Fee  $\$4.50 \times \underline{\hspace{2cm}} / 90 = \underline{\hspace{2cm}}$

State Water Fee  $\$1.59 \times \underline{\hspace{2cm}} / 90 = \underline{\hspace{2cm}}$

TOTAL AMOUNT DUE  $\underline{\hspace{2cm}}$



EXAMPLE

## HOW TO PRORATE A QUARTERLY UTILITY BILL

(Using 2017 utility rates)

Residential properties bill once a quarter for approximately a 90 day period. If a renter moves out mid-quarter, the landlord must use past history to estimate their final utility bill.

Determine last meter read date from last billing statement and calculate the number of days from that date to move out date. If a renter moves out on 11/30/16 and the last read was on 10/3/16, use 58/90 to prorate the final bill.

Usage Data		Billing Period					
From	To	Days	Prev. Rdg.	Curr. Rdg.	Usage	Units	
06/30/2016	10/03/2016	95	104 Actual	123 Actual	19	TGAL	
06/30/2016	10/03/2016	95	4 Actual	6 Actual	-2	TGAL	
06/30/2016	10/03/2016	95	4 Actual	6 Actual	2	TGAL	

Amount Due

Base Water Fee  $\$56.73 \times \underline{58} / 90 = \underline{36.56}$

Variable Water - using the water usage from the same billing period the year before, prorate the Usage

Tier 1 1-5,000 gallons  $\underline{5} \times \underline{58} / 90 \times \$4.92 = \underline{15.85}$

Tier 2 5,001-25,000 gallons  $\underline{14} \times \underline{58} / 90 \times \$5.66 = \underline{51.07}$

Tier 3 25,001+ gallons  $\underline{0} \times \underline{58} / 90 \times \$6.50 = \underline{\quad}$

Base Sewer Fee  $\$102.62 \times \underline{58} / 90 = \underline{66.13}$

Variable Sewer - using the water usage from the same billing period the year before, prorate the Usage. If there is an irrigation meter, subtract that amount from the water usage (Example:  $19 - 2 = 17$ K gallons)

Variable Sewer Fee (Over 10K gallons)  $\underline{7} \times \underline{58} / 90 \times \$6.36 = \underline{28.69}$

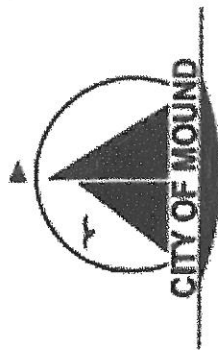
Storm Water Fee  $\$30.58 \times \underline{58} / 90 = \underline{19.71}$

Recycling Fee  $\$12.00 \times \underline{58} / 90 = \underline{7.73}$

Street Light Fee  $\$4.50 \times \underline{58} / 90 = \underline{2.90}$

State Water Fee  $\$1.59 \times \underline{58} / 90 = \underline{1.02}$

TOTAL AMOUNT DUE  $\underline{\underline{229.67}}$



## Utility Bill Automatic Payment Plan

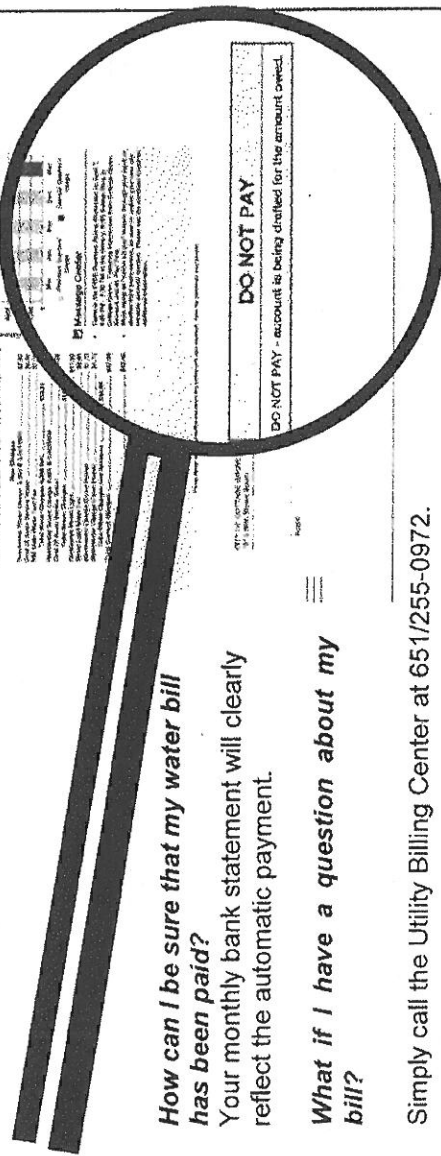
You can pay your utility bill from your checking or savings account automatically—no checks to write, stamps to buy, or late payments. It's free, fast, and completely hassle free!

**Q. How do I sign up?**

A. It's easy. Simply complete and return the attached authorization form. You must include a voided check (for checking accounts) or deposit slip (for savings accounts).

**Q. How soon will the Automatic Payment Plan Start?**

A. It may take one billing cycle after we receive your authorization. Please continue to pay your bill as usual until this message appears on your bill in the Amount Due box:



**Q. How can I be sure that my water bill has been paid?**

A. Your monthly bank statement will clearly reflect the automatic payment.

**Q. What if I have a question about my bill?**

A. Simply call the Utility Billing Center at 651/255-0972.

**Q. What if I try the Automatic Payment Plan and don't like it?**

A. You can cancel your authorization for automatic payments at any time by notifying us in writing.

## AUTHORIZATION STATEMENT FOR AUTOMATIC BILL PAYMENT

I hereby authorize the City of Mound to make debit entries from my bank account for the payment of my city utility bill. I understand that this authority will remain fully effective until the City of Mound receives written notification of its termination from me or my authorized agent, and is provided a reasonable opportunity to act upon this notice. I have the right to stop payment within seven (7) days of my billing due date but I must notify the City of Mound Utility Billing Department of this stop payment request. I also understand that the City of Mound reserves the right to terminate this payment plan or my participation in it. A \$30 NSF fee will apply for items returned for nonpayment.

Signature Date \_\_\_\_\_

City Utility Billing Account Number or Service Address \_\_\_\_\_

Name (please print) Daytime Phone Number \_\_\_\_\_

Name of Banking Institution \_\_\_\_\_

☐ Checking Account ☐ Savings Account  
(Please attach a voided check or savings account deposit slip)

Mail to: City of Mound  
PO Box 251310  
St. Paul, MN 55125

Want more options? Go Green. Receive your utility statement electronically. Complete the reverse side of this form to sign up for E-Billing.





## E-BILL ENROLLMENT FORM

### Go Green. Receive your Utility Statement Electronically.

The City of Mound is now offering a paperless billing option to its residents. Instead of receiving a paper bill, you can sign up to receive your Utility Bill electronically via e-mail.

#### The Benefits of E-Bill Are:

- The service is absolutely free
- You will have one less piece of mail to sort through
- You avoid mailing delays in receiving your bill
- By going paperless, E-bill saves trees, energy and resources

The E-bill will look like the statement you normally receive. The bill date, due date and other information will remain the same. The e-mail will come from our billing provider [update@opus21ms.com](mailto:update@opus21ms.com). Please add this e-mail to your "accepted" list to prevent it from getting caught in filters.

#### Sign up TODAY!

In order to sign up for this option, please complete the form below and return it to us using one of the following options.

- OPTION 1: Mail to** City of Mound  
P.O. Box 251310  
St. Paul, MN 55125
- OPTION 2: Fax to** 651-905-0440

The suggested methods of payment are Automatic Bill Payment or Pay by Phone using a checking account; however, should you choose to mail in your payment you will need to print your E-bill and submit the remittance stub along with your check.

If you encounter any problems, please contact the Utility Billing Center at: 651-255-0972.

NOTE: When enrolling for E-billing, all information must be completed in order to verify and secure your identity.

First Name/Last Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Service Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Daytime Phone Number: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Want more options? **Go AutoPay.** No checks to write, stamps to buy, or late fees. Complete the reverse side of this form to sign up for Automatic Bill Payment.